The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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SATURDAY, SEPTEMBER 15, 1934 VOLUME 70, NUMBER 3

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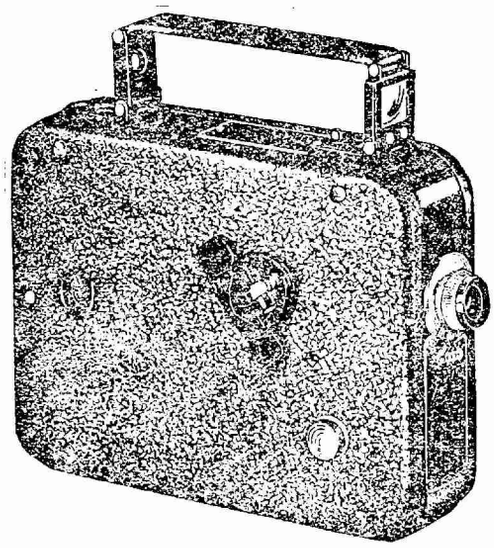

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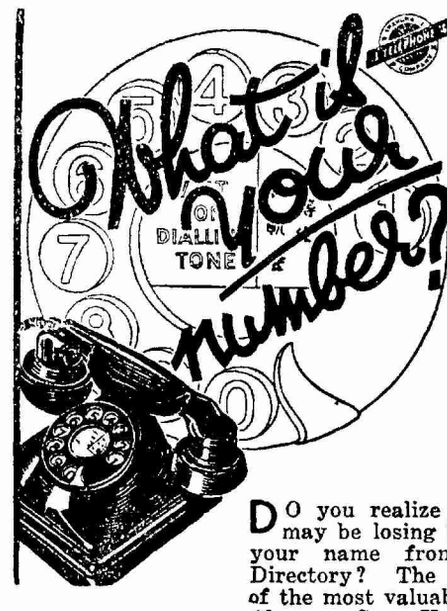

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The China Weekly Review

ESTABLISHED 1917

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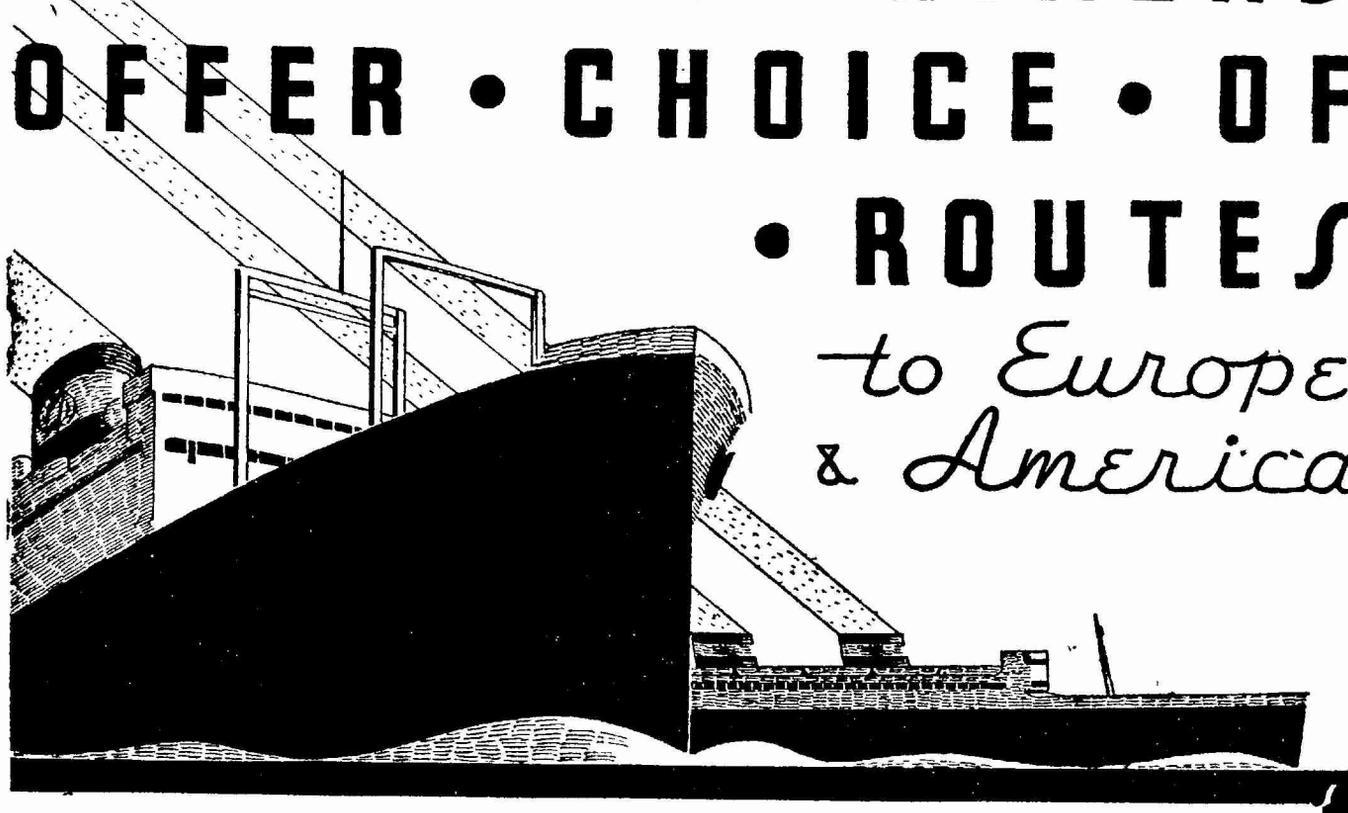

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密勒氏評論報
The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 70 | Shanghai, China, Saturday, September 15, 1934 | Number 3

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON KU, Advertising Dept.; F. K. CHAO, Business Dept.

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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WHY THE POSTAL WORKERS IN SHANGHAI "WENT SLOW"

IN order to show their dissatisfaction with the decision of the National Postal Convention in session at Nanking last week not to allow representatives of the Shanghai postal employees to attend its sessions, the postal employees "went slow" for several days—that is they pretended to work, but didn't, with the result that only a very small part of the usual mail was delivered. The difficulty was adjusted, at least for the time being, as the result of a two hour conference between Gen. Wu Te-chen, Mayor of Shanghai, Wu Kai-shien, Chairman of the Executive Committee of the Shanghai District Kuomintang, Wu Sing-ya, Commissioner of the Bureau of Social Affairs, and eight delegates of the National Postal Workers' Union and the National Postal Employees' Association, in the Party Headquarters, off Route Ghisi, Sept. 7, when the officials promised to urge the Ministry of Communications to bring about an early settlement of outstanding postal problems. As a result, the postal employees went back to their work with a vim and in a short time had cleared up the accumulated mail, and now things are moving along as usual.

The general public has probably only a hazy idea of what the rumpus has been about, and the object of these few lines will be to tell the story as briefly as possible, without making any attempt at apportioning blame. The postal employees in Shanghai are exceptionally well paid, and together with various allowances, bonuses and pensions, are receiving emoluments that are the envy of Chinese workers generally. It is to be borne in mind in this connection also that they are as a whole of an intelligent type, and the nature of their work is such as to sharpen their wits considerably. This recent tie-up is but a repetition of that which occurred in May 1932 and the reasons are identically the same as on that occasion. Briefly put, the employees are not satisfied with the way the finances of the postal department are being handled, and although that is naturally a matter for the heads, and not the employees to decide, the employees nevertheless use the "go slow" method for bringing their point of view

before the public. They point out that the payment of their pensions and bonuses naturally depends on whether there will be any funds available for the purpose and now that there has been a deficit they are beginning to feel nervous on this point. The fact that the deficit is to a large extent due to the lopping off of Manchuria does not, in the eyes of the employees, affect their point of view. The post office is under the Ministry of Communications, which also has under its control the telegraphs, the civil aviation lines, and the Postal Savings and Remittance Bank. As a general proposition, the situation is that the postal department as such accumulates a surplus, whereas the telegraphs and the aviation lines are run at a loss. The Ministry then sets off the losses against the profits, and now that there is a deficit the employees are more nervous than ever. Indeed, one observer pointed out that one reason why the employees went back to work so suddenly was that the fifteenth of the month is pay day and they did not want to bring matters to such a head as to run the risk of not securing their usual monthly stipend. However, if in the meantime negotiations which are going on looking towards a partial meeting of the views of the employees do not bring results of some sort it is not at all an improbability that a similar "go slow" strike may be introduced in the not distant future.

A FEW NOTES ON THE DECLINE OF WESTERN PRESTIGE

THIS is not exactly an editorial—at least not one in the usual form—nevertheless it serves to interpret passing events—in this instance covering a period of years. A member of the staff of *The Review* several days ago happened to meet a British resident of Shanghai whose acquaintance he had made back in the days before the revolution which ousted the Manchus from the Dragon Throne. This Englishman was brought to China by his parents when he was so young that he hardly remembers it. He has spent his life in China, mostly in Shanghai, and he has built up for himself a large acquaintance among Chinese. It is not part of this narrative to disclose his identity, except to mention that he occupies a position which will entitle to him to retire from service in the not distant future with a pension. This naturally brought up the subject of the place of his retirement. No, he had no intention of making his home in England; he intended to stay on in China. Then he became reminiscent. "You know," he said, "this thing of being an Englishman (or a Britisher in general) isn't what it used to be in former years. Ten or twenty years ago when one mentioned in Chinese company that one was British one could see that the news immediately gave one a certain prestige, and that one was received with a corresponding degree of deference. But things have changed very much, particularly since Hankow was forcibly wrested from British control, and following the many snubs that the Japanese have administered, not to omit the great inroads that the Japanese have made into British trade."

What this Englishman feels is more or less felt by all foreigners who have lived in this country for any term of years. The reason why the English feel it more is that they have fallen from a relatively higher pedestal. In former years British prestige in this part of the world was so high that it was not a matter to be discussed, or even mentioned—it was just naturally accorded. Many causes have brought about the change. Chinese assertiveness against the existing conditions made itself felt for the first time in many decades in the Revolution of 1911. Every foreigner in China at the time could feel the effect of the new Chinese spirit that was in the air. Nevertheless, Britannia still ruled the waves, and she came out of the world war, which started three years later, with undimmed prestige and added territory. However, various forces were at work to have the Chinese, whether as officials or as public, to challenge the superior claims of the Westerner within the Celestial gates. The fact that the Allies made use of Indians and blacks in their fight against the Teutons and employed citizens of China in work behind the lines was not without its influence. In particular, the Shantung coolies when they returned to their native heath were no longer disposed to accord any "superiority" to the Westerner and they were not slow in imparting their ideas on this point to their neighbors. Then in rapid succession came various events the net result of which was to compel the West, always with the British at the head, to recede from one special position after another. Locally, the principal event of that kind has been the placing of the Chinese courts in the Foreign Settlement and the French Concession under absolute Chinese control. For the moment, the foreign police wield very considerable power in an indirect manner, but it is evident that the Nanking government will take the first opportunity that is likely to bear fruit to bring pressure to bear to end this limitation of the powers of the Chinese courts. Although in a sense the Japanese onslaught on Manchuria and Shanghai put a temporary stop to the negotiations which were being so successfully carried on by Dr. C. T. Wang, the then Minister of Foreign Affairs, to gradually bring the exterritorial regime to an end, that very onslaught has dimmed Western prestige more than ever, and the net result will probably be that when the opportune time for agitation on the part of the Chinese for the abolition of exterritoriality is resumed it will go through with a speed that will surprise every Westerner in China.

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A reminiscence will illustrate the point of how Western prestige has fallen during the past several decades. Some short time before the revolution a large foreign firm in Shanghai was owed a considerable sum of money by a Chinese concern way up in the northwest of China. Payments were coming in slowly. So the firm decided to send the compradore up there to collect the money. For this purpose they gave a

young foreigner temporarily out of a job a special assignment. He was to accompany the compradore and help to collect the money. What was the young foreigner to do? Nothing except this: Whenever he heard the compradore talking rather sharply to the head of the Chinese debtor firm he was merely to look sternly in that direction and nod his head in an affirmative manner. The mere fact that the young foreigner didn't know a word of Chinese, and particularly not a word of the northern dialect was no hindrance whatever. He was there merely to represent Western prestige. The idea worked, and the Chinese firm paid up. But no foreign firm would think of trying a ruse like that today; the foreigner who went on such a journey nowadays would simply be laughed at; indeed, he would be lucky if he weren't kidnapped and held for ransom.

Secrets of International Arms Trade Revealed in U. S. Senate Enquiry

THE enquiry into the arms traffic, particularly as it relates to American manufacturers, which is now being conducted at Washington by a Senate Committee, headed by Senator Gerald Nye, from North Dakota, is bringing before the world in an official manner facts which have been frequently alluded to by various liberal publications both in the United States and Europe, and some of which have previously been printed in the columns of *The Review*. Arms manufacturers in all countries, America included, generally speaking, throw patritotic considerations aside and sell their arms to everyone who is ready to pay for them, except when they are now and then prevented from doing so by various governmental regulations. The disclosure in the current investigation at Washington that the German U-boats (for example the one that sunk the *Lusitania*) were constructed according to American plans is but one of many examples of how death has been dealt out to the citizens of one country at the hands of citizens of another country with implements supplied by the first-mentioned country. Krupp material supplied to Allied countries before the War was used to shoot down Germans, and guns supplied by Vickers were used by the Germans to shoot down British and other allied soldiers during the World War. An American who had the opportunity of inspecting the correspondence of a German firm at Tsingtao almost a year after the war broke out discovered that the Nobel dynamite trust had the Germans as partners before the War, and continued to send letters during the course of the war from Scotland to Tsingtao giving details of the operations of the dynamite trust's operations—incidentally also asking for an accounting of stocks previously supplied. The evidence given by the President of the Electric Boat Corporation that the company had paid $766,099 in commissions to Sir Basil Zaharoff, one of the principal owners of the Vickers-Armstrong arms concern in England, is only news to the extent that it mentions the exact amount. The fact that all the manufacturers of arms and ammunition have interlocking agreements has long since been established and the Electric Boat Company president's statement that all submarine patents of the Electric Boat Company were licensed to Vickers-Armstrong, who passed them on to Japan, Spain and the Netherlands, is but an additional detail.

It was disclosed that patent royalty payments to the Electric Boat Company included U.S. $2,222,257 from Vickers-Armstrong and U.S. $196,245 from the Mitsubishi Company of Japan. Officials of the Electric Boat concern denied that the company had ever refused the United States government use of its patents. The denial came when Senate Committee members disclosed that Vickers-Armstrong had requested the Electric Boat Company to withhold from the United States Navy its knowledge regarding British submarine building plans.

The statement by the vice-president of the Electric Boat Co. that "in order to get business in South America you had to grease the ways" will not be news to business men in any country who are engaged in government business either in South America or in many other parts of the world. It is now quite some few years ago that the incident here related occurred in Peking. One of the large trading companies was competing for a Chinese government contract and a "present" of a moderate amount was made to one of the Peking officials. The question then arose as to who was going to sign the voucher that would eventually have to pass the scrutiny of the auditor in the head office of the company abroad. The branch manager didn't like the idea of signing it, so it was eventually signed by the managing director himself. A retired U. S. naval paymaster, now deceased, related to a member of *The Review* staff that during the world war government supply manufacturers would shove checks for thousands of dollars under the doors of his office overnight merely to have him sign the checks promptly for materials already supplied instead of having the pay office follow the usual routine of passing them in leisurely fashion after several weeks.

In Japan cases of bribery in connection with government contracts are frequently reported; in Czarist Russia it was the accepted order of the day in handling government contracts, and one can imagine that if the private correspondence and books of Big Business throughout the world in general were opened to public gaze the sensation that would ensue would eclipse by far the revelations now being made at Washington.

Lovers of humanity, either Americans or other nationalities, will be greatly disappointed

if they imagine for a moment that the disclosures being made as to the international character of the arms trade will have any effect whatever towards minimizing the tendency to future outbreaks of war. The causes of war lie much deeper than the mere choice of weapons to be used or their place of manufacture. In the last analysis it makes no difference whether an American, a Briton or a German is shot dead in war with a weapon made in his own country or any other country—he will be just as dead anyhow. So long as the making of war weapons is a profitable peace time industry—in Japan today for example it is the most profitable of all industries—ways will be found to evade whatever restrictions to shipping them to foreign countries that America or any other country may enact. To take the profit out of supplying war material would go a long way toward equalizing the burdens of war, as under existing conditions man power is conscripted, but not wealth—but it would have little effect towards preventing the outbreak. So long as human kind has different views as to nationality, language, religion and particularly *regarding possession of the soil*,—take, for example, Manchuria—and also has prejudices as to the most desirable color of skin, or the set of the eyes or the shape of the noses of other human beings on this mundane sphere, and also "touchy" views on what constitutes "honor", there are going to be wars. The genesis of war was recently discussed in a hotel lobby in Shanghai. One of the group had just quoted Tolstoi. This brought the remark from another: "I will tell you why there will always be wars. For example, you call me a liar. Of course, I'm a liar; nearly all of us are. But the fact that you *call* me a liar, that is what causes the rumpus."

What Japan Will Demand at the Preliminary Naval Talks in London

THE Japanese Cabinet at its sitting in Tokyo September 1 approved the draft instructions to Mr. Tsuneo Matsudaira, chief Japanese delegate to the preliminary naval talks between American, British, Japanese, French and Italian delegates in London, which are to commence latter part of next month. Briefly stated Mr. Matsudaira is instructed to urge that in these preliminary talks no political questions shall be brought up (especially none relating to Far Eastern problems) and that there shall be no discussions concerning fortresses and naval bases. He is also being instructed to press for the total abolition or the drastic reduction of capital ships and aircraft-carriers. These instructions are being carried to London by Rear Admiral Isoroku Yamamoto, who will make the trip to London via America, sailing from Japan some time next week.

A spokesman of the Foreign Office on the same date naively explained that "if the Powers accept Japan's naval proposals the question of termination of the Washington Treaty will not arise. The particular proposal that has the "bite" in it is that Japan shall be released from the 5-5-3 ratio, in other words that Japan shall be free to increase its armaments, whereas England and America will be asked to reduce theirs.

Japan's basic principles, as collected by *Rengo*, are:

1. The abolition of the London and Washington naval treaties, based on the ratio principle, and their substitution by an agreement that, while guaranteeing to every nation the right of equality in armaments, will provide for national security, the reduction of burdens to taxpayers and the elimination of the threat of war. To achieve this purpose, the Japanese government believes that most heavily armed nations should make the biggest sacrifices and reduce offensive weapons.

2. The Foreign Minister will notify signatories to the Washington pact of Japan's intention to abrogate the treaty. This notification will be made between October and December 31.

3. The disarmament conference should be held in London after April 1935.

4. No political questions pertaining to the Far East should be discussed at the Conference and discussions regarding fortifications, not connected with sea power, should be avoided as a principle.

5. Maximum reduction of the global tonnage to be held by any Power.

6. Substitution of the ratio system, by an agreement whereby total global tonnages held by each Power shall be limited but which will allow each Power to build up to this limit in whatever class of vessel it sees most suited for its defense needs.

7. Limitation in the caliber of guns, armor, and other technical appliances fitted to all the vessels.

8. Drastic reduction or abolition of capital ships and aircraft carriers.

Whatever little differences there may be in Japanese national officialdom regarding various problems and policies, the telegrams from Tokyo show that there is general unanimity as to the naval program. It is to be remembered that Japan's premier is an Admiral (on the retired list). It was he (Kusuke Okada) that explained the policy to the Cabinet, and immediately after the Cabinet gave its approval (which was unanimous) adjourned the meeting and at once proceeded to the Imperial Palace to obtain the Emperor's sanction of the decision—this being the usual routine. Meanwhile, the naval section of the Supreme War Council held an unofficial meeting at which the government's naval policy was again confirmed without a dissenting voice. This conclave was attended by all naval members of the Council except Prince Fushimi, Chief of the Naval Board of Command, who was absent from Tokyo. With the support of both the Cabinet and the Supreme War Council, Admiral Ohsumi is now securing opinions from the naval officers of the nation. An important statement to the commanders of the 1st, 2nd, 3rd and 4th

Fleets despatched later by the Navy Minister Ohsumi emphasized the necessity for whole-hearted support of the country's policy by the entire Navy.

⁂

Japan is not prepared to make any concessions from its naval disarmament policy already approved of by the Cabinet, the Foreign Minister, Koki Hirota, said in a statement issued at Tokyo September 8 for the benefit of Japan's diplomatic corps abroad. Japan is further willing to see the 1935 Conference fail if the other Powers do not accept her proposals, as other nations would then be taking full responsibility for failure, Mr. Hirota said. He instructed all diplomatic representatives abroad to answer in the affirmative, all questions put to them regarding denunciation of the Washington Naval Limitations Treaty. Mr. Hirota indicated that Japan would take the intiative in submitting a new disarmament policy to the Powers.

Incidental to departure of the London pourparlers, Rear-Admiral Yamamoto, chief Japanese naval expert, paid a visit to the Grand Shrines at the Imperial Tombs on Momoyama. He is to sail on the s.s. *Hiye Maru* on September 20 for Vancouver and will reach London in October. It was indicated in Tokyo that Admiral Yamamoto would not stop in Washington. Among those accompanying the naval expert will be Lieut. Com. T. Mitsunobu, S. Enomoto, and S. Nizoguchi, Mr. Enomoto being secretary of the Navy Ministry. Captain S. Oka, Naval Attache in London, and Captain Y. Iwashita will assist Rear-Admiral Yamamoto in the discussions.

⁂

In preparation for a possible navy construction race resulting from the failure of the 1935 naval limitations conference, a complete survey of the facilities of 66 important ordinance and mumitions factories in Tokyo and other prefectures of the Kwanto has been started by the Fleet Administration Department of the Navy Office, according to reports appearing in Japanese newspapers. Representatives of the factories were summoned to the department last week and asked to submit detailed reports on the capacity of their plants, present equipment, plans for expansion, to what extent piece-work wages are paid, the number of workmen employed, their efficiency and the unions to which they belong. After the reports are submitted, it is said inspections will be conducted by Navy Minister Osumi. Admiral Nakamura, chief of the department, is expected to make an inspection tour of the Ominato naval sub-station in Aomori Prefecture, the Muroran steel works in the Hokkaido, and industrial centers in the north-eastern section of the Main Island.

The *Tokyo Asahi* recently made the following comment:

> It is becoming more evident that the American navy's opposition to revision of the present ratios is stronger than is generally supposed, while Britain, for reasons of defence against the French and Italian navies, is developing a strong desire to claim a ratio higher than that of the American navy in respect of light cruisers and smaller vessels. When both America and Britain, the principal naval Powers with whom Japan has to deal most in disarmament negotiations, are disposed to retain the provisions of the Washington and the London Treaties as far as possible, it is considered that Japan's new proposals stand small chance of favorable consideration. As for France, she is prone to treat naval disarmament as one branch of the General Arms Conference of Geneva, and holds to the view that the forthcoming Conference should be participated in not only by the five big Naval Powers but by all naval powers. There is no saying but that France may press forward this argument in the coming preliminary disarmament talks. In such circumstances, the impression is naturally growing that the success of the preliminary conversations is well nigh impossible.

France and Italy Reported to Have Reached Understanding

The principal development in Europe during the week has been the drawing closer together of France and Italy. Despite official denials that any Franco-Italian agreement had been reached, the Chancelleries of Europe are agog over the reports of a rapprochement between France and Italy, who, if they have concluded an understanding, will be capable, it is pointed out, of forming the most powerful political combination in Europe. It is understood that M. Barthou, French Foreign Minister, and Signor Mussolini will meet next month to discuss a common policy towards Germany and their attitude towards the Naval Conference, while an attempt will be made to reach a settlement of the position of Italian immigrants in the French Colonies in Africa. Rumor has it that a naval understanding between France and Italy has already been partly reached permitting France to reduce her naval forces in the Mediterranean and to transfer warships to Channel ports.

A *United Press* message from Rome Sept. 6 stated that Italy and France have agreed in principle upon a political and military pact which will completely change the present alignment of European powers and substitute for the nebulous theory of armaments limitation a realistic dictatorship of the peace of the continent.

Fundamental points of the broad understanding between the two powers were reported to include:

1. Naval parity.
2. The maintenance of armed forces at the same levels.
3. United resistance against the rearmament of Germany.
4. Political collaboration and consultation.

⁂

British Rear Admiral Would Scrap London Naval Treaty

Sir Roger Keyes, Admiral of the British Fleet, stated in Toronto Sept. 4 that Great Britain probably would break away from the London Naval Treaty. "It is very necessary in my opinion that Britain free herself from the restrictions of the London naval agreement," Sir Roger said. He pointed out that under the restrictions of the London Treaty, Great Britain is placed in the unreasonable position of being unable to build cruisers nearly so powerful in any respect as the so-called "pocket battleships" recently launched by Germany.

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London "Times" Says It Is Hard to Believe That Either Japan or Soviets Contemplate War

The London *Times* (Sept. 4) commented:—"It is hard to believe that the Japanese, who have an immense task ahead of them in Manchukuo, wish to increase the financial burdens of their administrative responsibilities by attempting to conquer East Siberia next year, or that the Russian oligarchs, who are threatened with the usual famine and do not dare extensively to mobilize the peasant masses, propose to attack a great military and naval power over 3,000 miles from their own factories and arsenals."

Chinese General Executed for Manufacturing Arms at Secret Plant

General Pan Chi, attached to the headquarters of the Pacification Commissioner for the Central Area, was executed at Canton, Sept. 7 after being found guilty of illegally manufacturing arms. A plant at Shekpai where firearms were being secretly manufactured was raided by local gendarmes and the arrest of General Pan was subsequently effected. A military tribunal found him guilty and the sentence was carried out immediately. In a proclamation issued by the military authorities, similar punishment is threatened to gun-runners or anyone found engaged in the illegal manufacture of arms.

Japan's Plan of Annexing Manchuria Maturing; Red Campaign to Be Concluded Before Nov. 12

High Lights in the Events of the Week:

1. **Japan Completes Plan for Absorption of Manchuria and Jehol.**
2. **General Chiang Decides to Liquidate Reds Before Nov. 12.**
3. **General Huang Urges Return of Panchen Lama to Tibet by Land Route.**
4. **Canton Authorities to Impose Protection Tax on Imported Goods.**
5. **Finance Ministry Denies Issuing Another Public Loan.**

Japan's plan of annexing Manchuria and Jehol and making them an integral part of the Japanese Empire is beginning to take definite shape, judging from reports from Changchun. According to the reports, a thorough reorganization of the Japanese military and political organs in Manchuria will be effected on the 18th inst. and the four former Chinese Northeastern Provinces will be sub-divided into ten provinces or administrative districts in order to make more effective Japanese control over the area. In connection with the planned military and political reorganization, the reports state, the Japanese War, Foreign and Colonial Offices at Tokyo recently held a joint conference to discuss the matter and to apportion the powers among themselves. As a result of the conference, it is said, an agreement has been reached on the following basis:

1. The Japanese Ambassador to "Manchukuo" shall be placed under the direect jurisdiction of the Premier of Japan and shall be entrusted with the highest administrative powers in directing all the Japanees organs in Manchuria, political, military and otheerwise.
2. The Foreign Office and Colonial Office shall jointly assume control over the administration, production and economic enterprises in Manchuria.
3. The Kuantung Army Headquarters shall be charged with the sole duty of peace preservation and national defense of "Manchukuo."

As regards the re-division of the Manchurian and Jehol provinces, it will be effected by a proclaimation of the puppet Government of "Manchukuo" which is expected to be issued before the third anniversary of the Mukden Outbreak this year. According to the reports quoted above, the names of the new provinces and of the provincial capitals will be as follows:

Name of the Province	Name of the Capital
Fengtien	Shengyang
Pingkiang	Harbin
Heiho	Heiho
Chantao	Yenchi
Chinchow	Chinchow
Kirin	Kirin
Lungkiang	Tsitsihar
Sankiang	Chaimusz
Antung	Antung
Jehol	Chengteh.

In each province, there shall be a governor, who is to be recommended by the Japanese and appointed by the "Manchukuo" Government.

According to messages from Kalgan and Jehol City, the number of Japaneese "tourists and travellers" in Inner Mongolia is rapidly increasing, most of them being known to be military officers in disguise. Their mission, the messages state, is to study and survey the topographical conditions of the Mongolian wilds in order to map out a route for troop movement from Dolonor to Outer Mongolia in preparation for their anticipated war with Soviet Russia. Many of these Japanese travellers carry no passports. Some of them bear passports issued by the Japanese Consulates, while others by the puppet state of "Manchukuo."

General Huang Fu, Chairman of the Peiping Political Affairs Readjustment Commission and Akira Ariyoshi, Japanese Minister to China met and conferred for nearly two hours on Sept. 8 at the reesidence of Li Pai-ko, manager of the Commercial Press, at 725 Avenue Haig. In the course of the conversations, General Huang was assisted by Li Chi-yi, advisor on foreign affairs to the Fukien Provincial Government, while Mr. Ariyoshi by Mr. Arino, secretary of the Japanese Legation. After the meeting, both sides maintained absolute reticence regarding the questions discussed and the outcome reached. However it is learned that among other matters, the Luantung issues in North China formed the chief topics of discussion. General Huang, who arrived at Shanghai from Kiangsi Sept. 6, is leaving here for Nanking in the latter part of next week. After interviewing President Wang Ching-wei and seeking further instructions from him, he will proceed to Peiping to resume his duties.

A private conversation was held between General Huang and I. Ishii, Japanese Consul-General here, about 9 o'clock morning of Sept. 10 at 725 Avenue Road by special arrangement. It was reported that political questions affecting North China since the resumption of through traffic were discussed, but results of the talk were not divulged.

Mr. Ariyoshi will leave Shanghai for Peiping in the latter part of this month, it was learned at the Japanese Consulate here Sept. 6. The mission of Mr. Ariyoshi's trip, it is understood, is twofold. First, he will inspect the Japanese consular services in North China and secondly, he will assist the Japanese Kuantung Army Headquarters in negotiating for the settlement of the various outstanding issues in the Luantung War Zone.

Yin Tung, Director of the Peiping-Liaoning Railway Administration, formally resumed his duties on the morning of Sept. 10.

The Japanese military authoritiees have established two wireless stations in Inner Mongolia, one at the Wuchumuhsin in northern Chahar near Dolonor and the other at a point further north. The two stations are communicating constantly with the stations at Dolonor and Chengteh in Jehol.

Work on the construction of a Japanese aerodrome at Palitai near the Nankai Race Course in Tientsin which had been suspended for half a month, was resumed Sept. 5. The number of workmen has been increased to $800. More than 100 carts have been busily transporting lumber and sand to the aerodrome. Thee Japanese still deny that the ground will be converted into an aerodrome. The site of the alleged aerodrome belonged to the *Kwang Jen Shan Tang* (Tientsin philanthropic organization) and a lease was obtained by the Japanese Okura Company by underhand means.

According to reports from Harbin Sept. 10, 44 members of the "Dare-to-die" Corps of the Chinese volunteers, who had been held responsible for derailing the trains of the Chinese Eastern Railway during the past few months, have been put to death by the Japanese. Handed by Li Tung-hai, the 44 men were surrounded and captured by the Japanese troops in Heilungkiang at the end of last month and were brought to Tsitsihar for trial. Despite the all kinds of torture applied to them, the trapped volunteers refused either to surrender or to confess. Replying to the questions put to them by the Japaneese officials, they declared that their activities against Japan had been inspired solely by their patriotic sentiments and they assumed full responsibility for the consequences of their activities.

Tao Shang-min, Administrative Commissioner of the Luantung District, stated at Tientsin Sept. 10 that the situation at Tangshan is fraught with grave possibilities as a result of the subversive activities of reactionary elements in that region. Many opium dens operated by Japanese and Koreans at Tangshan have already been closed down by the Chinese authorities but many are still operating secretly. Chao Ta-chung, the ringleader of the last Tangshan coal mine strike, is still at Tangshan and is in constant communication with the bandits in the vicinity.

The bandit situation in the Luantung Demilitarized Zone, particularly in Tsunghua and Yutien, is causing serious concern to the Hopei provincial authorities. Remnants of the notorious bandit-leader, Liu Kwei-tang, are rampant in the area and there is a great likelihood of their penetrating into the region of Malanyu. A secret bandit organization was recently discovered and raided at Tsunghua, as a result of which 17 officers of the so-called Chienkuochun (National Crention Army) were arrested, but their leader, Chiang Tso-yen, succeeded in making good his escape. The situation at Shanhaikwan is equally serious. Scattered bands of the bandits are raiding and plundering the villages in the district. The Railway station at Shanhaikwan had been made an object of attack on several occasions, though all the attacks had been repulsed.

For the purpose of combating banditry in the Luantung Area the authorities have drawn up a plan for the construction of a net-work of roads in the district. According to tentative plans the roads will link up Tsunghua, Tangshan, Chienan, Yutien, Chihsien, Peiping, Malangyu, Kupeikou, Hsifengkou and Tungchow. The cost of construction is estimated at $3,000,000 which will be furnished by the National Economic Council.

Reopening of the long defunct Exchange Bank of China is likely to take place in the near future, according to a statement made by Col. Shibayama, military attache of the Japanese Legation, in an interview with the Chinese press at Peiping Sept. 8. Col. Shibayama said that Wang I-tang, one of the leading figures of the former Anfu Group and now member of the Peiping Political Affairs Readjustment Commission, will shortly leave Peiping for Kiangsi to see General Chiang Kai-shek and discuss with him the question of resumption of business of the Bank. Col. Shibayama said that the Peiping office of the Bank will probably be among the first to be reopened.

The Suiyuan Provincial Government is planning to build a motor highway linking Pailingmiao, the seat of the Mongolian Political Council, with Kweihua, the Suiyuan provincial capital. It is learned that the Engineering Corps for the Great Bend of the Yellow River has been instructed to make preliminary surveys.

The Chahar Provincial Government is devising measures for the resumption of trade relations between Kalgan and Urga as a measure for the solution of the preesnt financial distress of Chahar province. Yueh Kai-hsien, Foreign Affairs Commissioner at Kalgan, is now negotiating with the Soviet consul for the resumption of the service.

According to a report from Dairen, General Hishikari, Commander-in-Chief of the Japanese Kuantung Army Headquarters, who is recuperating from his recent illness, may retire from his post in the near future. The cause of his rumored reesignation, it is said, is partly due to his ill-health and parly to the planned reorganization in Manchuria by the Japanese Government.

Mahendra Pratap, exiled Indian and protagonist of the Japanese Pan-Asiatic Movement, arrived at Changchun Sept. 10 from Japan en route to Mongolia where he plans to meet one of the chieftains of Dolonnor on a mysterious mission.

According to a report by the Hua Lien News Agency, recently Nanchang has been visited by a large group of Japaneese officials and civilans with unannounced missions. On the first of this month, the Nanchang Municipal Government received a communication from the Japanese Consulate at Kiukiang, stating that a number of Japanese civilians are planning to visit Nanchang and asking that adequate protection be accorded them during their stay there. It is understood that the Nanchang authorities have issued instructions to the police officers to exercise utmost vigilance in regard to the activities of the Japanesee visitors.

In connection with the deportation of Chinese citizens from Japan, General Chiang Tso-pin, Chinese Minister to Japan, has already lodged a protest with the Japaneese Government. But so far the Japanese Foreign Office has not replied to thee Chinese note.

100 Formosan "nonins" who attempted to create disturbancees at Tienteng, outside Foochow city, in the night of Sept. 8 were dispersed on the timely arrival of the military and civil police. The Bureau of Public Safety has decided to lodge a strong protest with the Japanese Consulate against the subversive activities of the Formosans.

General Chiang Decides to Liquidate Reds Before Nov. 12

General Chiang Kai-shek, President of the Military Affairs Commission, has decided to completely liquidate the "Reds" in the provinces of Kiangsi and Fukien before November 12, the date for the convocation of the 5th National Congress of the Kuomintang Delegates. Identic orders have been issued to the Eastern, Southern, Western and Northern Route Bandit-suppression Forces to make every effort to bring the campaign to a successful conclusion. The various route forces are now preparing to advance on Changting, "Red" stronghold in western Fukien, and Juikin, "Red" capital in south-eastern Kiangsi. Economic blockade of the bandit-infested areas has been tightened. The "Reds" are already feeling keenly the lack of daily necessities such as rice, salt and kerosene oil.

The Changsha-Wuchang train was held up for six hours in the night of Sept. 8 owing to a portion of the rails having been taken up, allegedly by Communists. The story was further confirmed by a missionary passenger on the train. The authorities, however, are understood to have the matter well in hand.

According to a *Reuter* report Sept. 7, because of continued pressure from the government forces, the communists are making ready to move their "capital" from Juiking, in southeastern Kiangsi to Ninghua, in Fukien province, about 66 miles northeast of the former city. A message from Nanchang says that the vanguards of the government troops are less than 30 miles from Juikin, thus creating considerable panic in the Red capital. Hsinkuo, another communist stronghold northwest of Juikin, is also facing imminent capture by the government troops, according to a telegram received by Nanchang military authorities. Through artillery and aerial bombardments, the government troops are said to have smashed the communists' fortified positions at Louyingpang, a hilly region which is described as the gateway to Hsinkuo. The message claims that the communists suffered severe losses before giving up Louyingpang, while government casulaties are given at one hundred killed and wounded. Meanwhile reports from Fukien and Hunan also indicate that the communists from Kiangsi have paid dearly for their recent raid into the two provinces, and that it is well-high impossible for them to avoid being surrounded by the government forces.

Road construction in Kiangsi is making rapid progress. So far 3,500 miles of motor roads have been constructed and most of the important centres in the province have been linked up by these roads. The roads in Kiangsi are a part of the network of highways through the seven provinces in the south-east.

A plot on the part of the Communists has been discovered by the Government forces that many trained pretty women and girls have been sent into the Government line disguised as refugees. When these girls arrive in the Government line they marry military officers and act as spies for the Reds. The military authorities have now issued an order prohibiting military officers from marrying girls in the Red Area. Also, if possible military officers must keep away from girls and women near the front line no matter whether they are refugees or not.

General Liu Hsiang of Szechuan has succeeded in raising $500,000 in Chungking for the purpose of meeting urgent military expenses on the northern front. General Liu, while still declining to resume office, has decided to proceed to Wanhsien shortly to assume command of his troops and direct a new offensive against the Reds. General Wang Lin-chi, a trusted lieutenant of General Liu, who was recently dismissed from office through some misunderstanding, has agreed to return to his post. It is generally believed that General Wang's resumption of office will greatly facilitate the campaign in northern Szechuen as Wang is considered as the best military man in Szechuen. The Central Government is making preparations to unify the currency in Szechuen by coining new dollars for the province. It is understood that $10,000,000 worth of silver will shortly be imported into Szechuen from Nanking and it will be used for coining new dollars by the Szechuen mint.

A small band of communists has suddenly made an appearance at the Mishih district in eastern Shensi and they are compelling the people to join their ranks. As Michih is entirely undefended the communists are having everything their own way. All wealthy families have been

looted and many landlords have been brutally murdered. The people are moving eastward to escape from the Reds by crossing into Shansi. The Shansi local authorities have received strict instructions from General Yen Hsi-shan not ro permit any male refugees to enter Shansi territory for fear that some communists may get in disguised as as refugees.

The communists under Ho Lung who recently attempted to penetrate into Szechuen has been driven out from the province by the Szechuen provincial forces. The Reds have withdrawn to Kanlungkou in western Kweichow.

The "Reds" under Hsiao Ko have retreated to Kianghwa and Yungming, in south-western Hunan near the Hunan-Kwangsi border, after suffering defeat at the hands of the Hunan troops. A concerted assault has been launched by the combined Hunan and Kwangsi troops on the marauders. In a three-hour encounter at Paiko September 6, the Hunan units killed more than 100 "Reds" under Hsiao and seized a number of rifles and propaganda leaflets.

The Canton military authorities have received a report from the commanders at the Hunan front of a victory of the Cantonese troops over the Reds in southern Hunan. The total strength of the Reds troops in southern Hunan is two divisions and two regiments armed with 4,000 rifles. A a result of the recent operations the communist band suffered no less than 800 casualties and 300 have been captured alive. The remnants of the Red forces are now in the vicinity of the Hsiang River with the evident intention of crossing it. The Kwangsi troops on the Hunan border are on the alert for fear of a sudden attack by the Reds.

Due to pressure by the Government troops, the remnant "Reds" in north-eastern Fukien are plotting to withdraw westwards to their old rendezvous in western Kiangsi. Strong defence works have been erected by the Government units to prevent them from realizing their plans. The Government forces in northern Fukien recently attacked the "Reds" at Kingyuan, in the extreme south of Chekiang near the Chekiang-Fukien border, in conjection with the Chekiang Provincial Peace Preservation units. Latest news indicates that the city of Kingyuan has been recaptured by the combined forces after severe fighting. The remnant outlaws between Minising and Yuki, south of the Min River, have also been liquidated by a Government brigade.

To meet the urgent need for military expenses and to make up for the loss of revenue resulting from the bandit activities, the Fukien Provincial Department of Finance has obtained the consent of the Provincial Government for the flotation of a short-term provincial loan of 51 million in the form of treasury notes.

General Chang Hsueh-liang, Vice-Commander-in-Chief of the Bandit-suppression forces for the provinces of Honan, Hupeh and Anhwei, returned to Hankow from Kuikiang on the s.s. "Wu Yang" September 5 after conferring at Kuling with General Chiang Kai-shek, President of the Military Affairs Commission, concerning the bandit-suppression and rehabilitation measures in the three central provinces.

Communist-bandits are active in western Honan, particularly in the district between Shangchen and Kushih. Details of bandit menace are lacking but according to words reaching Kaifeng no less than 300 farmers have already been massacred by the outlaws. The Honan authorities have sent a strong detachment of provincial troops to the scene of disturbance for the suppression of the bandits.

General Huang Urges Return of Panchen Lama to Tibet by Land Route

General Huang Mu-sung, Special Commissioner to Tibet, in a telegram to Nanking September 8, recommends that the Panchen Lama, "Living Buddha" of Tibet, should return to Tibet by the land route (that is, via Chinghai) instead of by the sea route via India. To return through the territory of a foreign country, General Huang states, would make China ridiculous in the eyes of the world. In order to avoid misunderstandings on the part of the Tibetan people, General Huang suggests that the number of attendants of the Panchen Lama should be as small as possible.

Ko-Sang-Tse-Jen, member of the Mongolian and Tibetan Affairs Committee, left Sian for Lanchow, capital of Kansu, on board the Eurasia airplane September 5. From Lanchow he will proceed to Tibet via Chinghai (Kokonor).

The Government has sanctioned the appeal of General Shen Shih-tsai, Defense Commissioner of Sinkiang, for the issuance of a $8,000,000 provincial loan in that province. The fund thus raised will be used for the rehabilitation of that province which has undergone several disastrous wars.

That negotiations be conducted with the Soviet Government for the extradition of the rebel general, Ma Chung-ying, former commander of the 36th Division, who sought refuge in Soviet territory after being defeated by the Sinkiang Provincial Forces, is urged by General Sheng Shih-tsai in a telegram to the Central authortiies.

Replying to an inquiry of General Fu Tso-i, Chairman of Suiyuan, regarding the present facilities for communication between Suiyuan and Sinkiang, General Sheng Shih-tsai states that tranquility now reigns in eastern Sinkiang and that traffic is unhampered. General Sheng requests that the Suiyuan-Sinkiang Merchants' Guild be notified and urged to resume the transportation of their goods with a view to reviving the prosperity of the two provinces.

Chang Yuan-shan of the North China Rural Co-operative Committee, returned to Peiping September 2 from a trip of investigation to Shensi. Mr. Chang, in an interview, said that the Shensi Provincial Rural Co-operative Committee, jointly organized by the National Economic Council and the Shensi Provincial Government, was inaugurated on August 14. The Committee is planing to raise a total of $1,200000 as loans to the peasants. Of this sum, $700,000 will be secured by he National Economic Council, and $500,000 by the Shensi Provincial Government. During his two months' sojourn in Shensi, Mr. Shang continued, he was impressed with three features of the rural situation in Shensi. Firstly, the weather in Shensi is particularly favourable for agriculture. Secondly, with the opening of the Chinghui Irrigation Canal, the cotton fields along the canal have been directly benefited. Moreover, the system of communications in Shensi is being improved, with the gradual extension of the Lung-Hai Railway to Sian. Thirdly, he said, the military and civil leaders in Shensi are working in close harmony. "A bright future is therefore in store for the province," he concluded.

A loan of $2 millions for the conservancy of the Wei Ho (River), in northern Shensi, has been concluded with Shanghai banks by General Yang Hu-cheng, Commissioner of Shensi, during his visit to Shanghai. The loan, which is obtained on the security of the Water Tax of the Ching and Lo Ho and the Business Tax in Sian, will be completely redeemed in four annual instalments.

The North-western College of Agriculture and Afforestation will be opened on the 15th inst., it is announced. While the Higher Vocational Class will be held at its campus in Wukung in north-western Shensi, the class for the training of water conservancy workers will meet at Sian, the announcement states.

Laying of rails on the Tungkwan-Sian extension of the Lung-Hai Railway in eastern Shensi, has gone as far as Linkowchens about 8 miles from Weinan, the present western terminus of the line. As the roadbed, bridges and tunnels have been completed, train service will be operated to Lintung, 17 miles from Sian, by the end of October.

Canton Authorities to Impose Protection Tax on Imported Goods

There is every indication that Canton intends to impose a "protection" tax on imported foreign goods. The measure has been under consideration by the Government for a considerable time and it is believed that it will shortly be adopted and enforced, according to a *Reuter* report Sept. 6. The special protection "tax" will range from 40 per cent. to 50 per cent. of the present tariff rates, and in some cases the rate is about 50 per cent. *ad valorem*.

War against concubinage is expected to be waged shortly by the Canton authorities, who are considering drastic measures to curb the practice. Social reform workers at Canton describe the system as contrary to the principles of humanity and sex equality and are urging its immediate abolition. Concubinage, which has hitherto been widely practised in Kwangtung, especially before the Kuomintang regime, will be regarded as a serious offense punishable by law.

A railway is to be built between Kongmoon, southern Kwangtung, and Yamchow, in the extreme west of the province. Survey work will be started in the middle of this month.

The South-west Political Council held an urgent meeting September 5 to discuss measures for coping with the Fifth National Party Congress at Nanking. Immediately

after the meeting, Huang Chi-lu, a member of the Council, was sent to Hongkong to sound the views of Hu Han-min regarding the matters. In this connexion a spokesman of the Council declared that the South-west would do everything possible to retain the two organizations at Canton and to introduce constitutional administration in the country by stages. He also pointed out that Canton would issue a circular telegram announcing its attitude towards the forthcoming Congress as soon as Huang Chi-lu returns from Hongkong.

General Pai Chung-hsi, Kwangsci military leader who arrived at Canton two months ago to discuss the Red situation with Canton leaders, left for Kwangsi September 7. Interviewed, General Pai confirmed that the Reds had been very active in Southern Hunan, but stated that the Kwangsi border was no longer menaced. He said that the Communists had been routed by Government forces and had retreated to Western Hunan.

General Lung Yun, Chairman of the Yunnan Provincial Government, has sent a representative to Canton to exchange views with General Chen Chi-tang on an important issue. Much significance is attached to the visit of the Yunnan representative.

Negotiations for the ratification of the draft Sino-French-Annam Commercial Treaty, which had been deadlocked for several years, have been resumed between the Chinese and French Governments. A settlement is expected to be reached in the near future.

Finance Ministry Denies Issuing Another Public Loan

Press reports that the Government is contemplating the issue of another huge loan to meet the deficits of the Treasury, are emphatically denied by Chin Fen, Vice-Minister of Finance, in an interview at Nanking. The Government's financial policy is steadfastly on the right track, Mr. Chin said. Admitting that the Government is facing a deficit every month, he called attention to the fact that the Government is at the same time amortizing old loans amounting to no less than $170 millions each year. Had there been no old loans, he said, the income of the Government would have been sufficient to meet its current expenditure. Reports that the Government will issue another loan shortly, he added, are absolutely without foundation.

The Finance Ministry has decided to call a conference shortly for the discussion of measures for the relief of famine refugees in China. All ministries and commissions concerned will be represented at the meeting.

Educational and cultural expenditure for the 23rd fiscal year (July 1, 1934—June 30, 1935), amounting to $19,-034,481, which was recently approved by the Central Political Council, has been announced by the Executive Yuan.

The Central Party Headquarters has received a joint telegram from the provincial headquarters of Kiangsu, Chekiang, Anhwei, Hupeh, Kiangsi and Shensi, pledging wholehearted support to the forthcoming 5th National Congress of the Kuomintang Delegates. A similar telegram was received on September 8 from the provincial party headquarters of Kansu, Ninghsia and Shansi, urging the convocation of the Congress in time and expressing unreserved support to the same.

The 39th anniversary of the first Revolutionary Uprising launched by the late Party Leader, Dr. Sun Yat-sen, at Canton was commemorated at Nanking September 9 at a memorial service at Central Party Headquarters. President Wang Ching-wei was the speaker of the day.

Sun Fo, President of the Legislative Yuan, who had been vacationing in Honolulu for the past two months, arrived back at Shanghai in the morning of the 12th aboard the s.s. Empress of Japan. After a brief sojourn in Shanghai following arrival, Mr. Sun will proceed to Nanking to resume his duties at the Legislative Yuan.

Baron Emmanuel Janssen, head of the Special Belgian Mission, was received in audience by President Lin Sen at 11.50 o'clock on the morning of September 8. The ceremony followed was similar to that usually accorded to ambassadors.

The various Mohammedan organizations in the country is now holding a national convention at Nanking and more than forty representatives from different parts of the country are attending the gathering. General Ma Liang, the aged Mohammedan chief, is chairman of the convention, which will last a few days.

THE FAR EASTERN BANK "DALBANK"

Established in Harbin

Shanghai Branch

NOTICE.

By decision of the Board of Directors of the Far Eastern Bank ("DALBANK") the Shanghai Branch of the aforesaid Bank located at Hamilton House Shanghai has been sold with all its assets and liabilities to the Moscow Narodny Bank Limited 58-60, Moorgate, E. C. 2. The public is therefore notified that all assets have been assigned to and all liabilities assumed by the Moscow Narodny Bank Limited which Bank will commence operations under its own name as from October 1st 1934.

Shanghai, September 13, 1934.

THE FAR EASTERN BANK ("DALBANK")
(Established in Harbin)

By order of the Board of Directors
A. I. PLOTKIN.

The Moscow Narodny Bank Limited

Shanghai Branch

NOTICE.

By decision of the Board of Directors the Moscow Narodny Bank Limited, 58-60, London, E.C. 2. has purchased the Shanghai Branch of the Far Eastern Bank ("DALBANK") (Established in Harbin) located at Hamilton House Shanghai with all its assets and liabilities. The public is hereby notified that all assets of the Shanghai Branch of the Far Eastern Bank ("DALBANK") have been assigned to the Moscow Narodny Bank Limited which Bank has also assumed liability for all obligations of the Shanghai Branch of the Far Eastern Bank ("DALBANK") (Established in Harbin). Operations will be commenced at the same address under the name The Moscow Narodny Bank, Ltd. Shanghai Branch as from October 1st 1934.

Shanghai, September 13, 1934.

THE MOSCOW NARODNY BANK LIMITED
Shanghai Branch

By order of the Board of Directors
N. A. TZVETKOFF.

70-097

Japanese Minister of Finance Will Try to Cut New Army-Navy Demands in Half

FIFTY percent reductions in the new demands of the war and navy ministry contained in their 1935-36 draft estimates, were forecast in Tokyo, Sept. 10 as the Budget Bureau of the Ministry of Finance neared the completion of its auditing of the projected expenditures. Observers saw in this projected drastic reduction, the putting into practice of the conviction held by Mr. Fujii, minister of finance, that Japan is not confronted with the danger of a war in the near future. The Ministry of Finance will approve in principle all the projects drafted by the military but will seek to reduce their cost, it was indicated. Big reductions in prices for equipment will be made with the armament makers, whose profits in recent months have reached fabulous proportions. The Finance ministry officials believe that contracts can be so drawn that these profits will be cut to normal amounts. Navy authorities will also be asked to postpone the construction of vessels which could be raipdly constructed in the case of an emergency. This would mean that only units that take considerable time in construction would be laid down during the coming fiscal year. The new navy demands totalled approximately Yen 300,000,000 while those of the army were about Yen 260,000,000. Besides this sum, the navy is asking $420,000,000 for ordinary expenses.

Japanese Steel Companies Enlarge Their Output Facilities

With continued activity in the munitions and general machinery industry, establishment of new industrial plants and extension of the existing productive facilities, demand for Japanese steel materials is showing considable increase, while exports of steel to Manchukuo registered a further expansion in the first half of this year, according to figures given out by the Nippon Iron Manufacturing Company, Limited.

Japanese Newspaper to Be Asked to Soft Pedal Navy Propaganda

A Japanese Foreign office spokesman told a *U. P.* representative in Tokyo Sept. 10 that Japanese newspapers will be urged to refrain from using exciting phrases or making statements likely to inflame popular opinion, the Gaimusho spokesman said. This statement, following the announcement that Japan is ready to scrap offensive naval weapons, was construed as meaning that the government will occasionally reveal portions of Japan's complete naval scheme before the London conversations begin.

The Gaimusho spokesman specifically mentioned reports that Japan intends to fortify various zones, notably by establishing aerial bases in Hokkaido and the Kurile Islands, which resulted in a Foreign Office suggestion to the Navy Ministry that such news should not be circulated.

Letters Ask Leniency for Ketsumeidan Defendants

With many of the writers apparently inspired by recent national and local governmental scandals, letters asking light punishment for the 14 members of the Blood Brotherhood, or Ketsumeidan, have been reaching the Tokyo District Court in increasing numbers since the procurator demanded the death penalty for four and imprisonment for the others. Most of the letters are addressed to Goichiro Fujii, presiding judge.

Chuzo Mitsuchi, Minister of Railways in the Saito Cabinet may be prosecuted on a charge of giving false testimony in the investigation of the bribery scandal which caused the downfall of the Saito Cabinet, according to the *Asahi*.

Sharp Decline in Government Bond Prices

The Tokyo Nichi Nichi comments :—"The recent sharp decline in the prices of Government bonds has created great uncertainty not only in the bond market but also in financial circles in general. The Government's financial policy is in question. The 5 per cent issues have fallen from Yen 106 to Yen 102, and the first and second 4 per cent issues have dropped by Yen 1 each to about Yen 98.30, less than the market prices of the latest 4 per cent issue. Thus a signal change has come about in the bond market."

Six Million Yen Adverse Trade Balance

An adverse trade result of a little over six million yen during the first ten days of September directly following a period which registered an excess in exports over imports by fourteen million yen in the last part (ten days) of the previous month, is stated by *Rengo* to have caused a shock among the business and official circles concerned. Inactivity in raw silk, silk fabrics and cotton goods has caused a huge drop in the export figures.

Cotton Export Declines in August

August exports of cotton textiles from Japan decreased 8 per cent in volume and 3 per cent in value, after increases in every month since the first of the year, except June. The decline is attributed partly to restrictions of various countries against Japanese goods, and partly to the seasonal decline as autumn approaches.

Matsudaira to Head Japanese Delegation at Naval Preliminaries

Tsuneo Matsudaira, Japanese Ambassador to the Court of St. James, was formally appointed Sept. 7 chief of the Japanese delegation of the naval preliminary conference to be held in London in the latter part of October, between Japan, Great Britain, the United States, France and Italy. Rear-Admiral Isoroku Yamamoto, who is now on his way to London, was officially selected as the chief naval expert. His aides will consist of Captain Shosuke Shimomura and Captain Yasutaro Iwashita, of the Naval General Staff, and Captain Arata Oka, naval attache to the Embassy in London.

Seaplane Sinks—No Trace of Occupants

During maneuvers of the combined fleet of the Japanese navy in the vicinity of Sodo Island, off Niigata Prefecture, last week, a sea-plane belonging to warship *Takao*, piloted by Sub-Lieut. Asami, with 3rd Flight Warrant-Officer Ryukichi Shoji as co-pilot, sank, and no trace of the occupants was found. Lieut. Asami is a son-in-law of Vice Admiral Gengo Hyakutake, Commander of Maizuru Naval Port.

Eleven thousand employees of the Tokyo street car and business systems are on strike. An emergency service is being operated by clerks and casual employees.

The Osaka Shosen Kaisha is suing the Nippon Yusen Kaisha for a claim of Yen 79,875.44, damages sustained by the former in a collision between O.S.K. *Manila Maru* and N.Y.K. *Hakozaki Maru*, March 11, last in Kwanmon Strait.

An understanding has been reached between the Nippon Yusen Kaisha, the Osaka Shosen Kaisha and the Kokusai Kisen Kaisha mutually to arrange their sailing dates in the Far East-New York service in such a manner as to avoid competition. This understanding appears to have the object of ousting foreign shipping companies in raw silk transportation.

Japanese Count Chastised as Alleged Sympathizer of Soviets

The Bureau of Heraldry and Peerage, Ministry of Imperial Household, has deprived Count Hisatake Hijikata of his peerage for alleged Communist activities. Count Hijikata is alleged to be a Soviet sympathizer and visited the Soviet Union in direct violation of an agreement he had given to the Foreign Office. It was further charged that he had attended a meeting of the Soviet Authors and Playwrights League in Moscow where he had given a subversive speech. Count Hijikata is manager and director of the Tsukiki Little Theatre and is credited with having started the proletarian theatre movement in Japan.

Admiral Nagano Is Mentioned for Suetsugu's Post

Admiral Osamu Nagano, Commander of the Yokosuka Admiralty, will probably be appointed Commander-in-Chief of the Combined Fleet as a successor to Admiral Nobumasa Suetsugu about the middle of November when a regular officiai shift of the Navy is to be announced.

Trade War Is Threatened Between Japan and Germany

A trade war between Japan and Germany looms as the Japanese Ministry of Commerce contemplates measures to counteract Germany's refusal to revise import quotas which restrict many Japanese articles. Japan may either increase tariffs on German-made goods or adopt a quota system in retaliation for the recent application by the Berlin Government of quotas on Japanese artificial silk. News that Germany had rejected Japan's request for a change in the basis of the quota system affecting Japanese goods came in an official despatch from Mr. M. Nagai, Ambassador at Berlin.

Japanese Agrees to Sale of Wife on Instalment Plan

Hirokichi Audo, 27-year-old mason, left Tokyo for a job in Osaka several years ago. He also left a wife and two children, and no funds.

To earn a livelihood, the wife got a job as a waitress. Later, hearing nothing from Ando, she married again and was living happily until a few days ago, when he suddenly re-appeared.

After considerable turmoil, negotiations were opened between the two husbands. The disputants thereupon adjourned to the local police station and sought arbitration. Finally Ando agreed to divorce his wife if his successor would pay him Y.1,500 damages The latter accepted, on condition he be paid at the rate of one yen a month.

Finding that, on these terms it would take many years to pay the debt, Ando indignantly refused. The police mediated between the two and the dispute was finally settled on condition that the new husband should pay Ando two yen a month for the next two years, retaining the wife.

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Alleged Chinese Spies Who Informed Soviets of Japanese Troop Movements

Four Chinese who allegedly sent secret wireless messages concerning the movements of the Japanese and Manchukuo troops to the headquarters of the Soviet Far Eastern Army at Habarovsk since June last year, were arrested last week at Chiamossu, Kirin province, by the Japanese gendarmerie detachment stationed there. A wireless set of Soviet manufacture was seized. They stated that they had received their training at Habarovsk and entered Chiamossu via Mihailosemionovsk about the middle part of June last year.

Central Bank of Manchu Makes Handsome Profit

The Central Bank of Manchu made a net profit of 807,140 Yen in the first half year period this year, according to a balance statement made public in Changchun Aug. 30.

Manchukuo Ship Fired on Following Signing of Heiho Navigation Treaty

The Soviet-Manchukuo frontier rivers navigation pact signed on Sept. 2, which is expressly designed to avoid incidents on border waterways, received an unexpected baptism, Sept. 6 when Soviet troops directed a fusillade of rifle and machine-gun fire on a Manchukuo motor-boat proceeding in an easterly direction near Taheiho on the Amur River. As a consequence, the motor-boat was forced to return to Taheiho. Manchukuo has protested against the incident.

Twelve New Passenger Cars to Be Put on Dairen-Changchun Run of S.M.R.

The bodies of 12 passenger coaches of the two super-express trains, which are scheduled to be put into service on the Dairen-Changchun run during next month, have been completed at the Shakako Railway workshops of the South Manchuria Railway Company at Dairen. The coaches, including the observation cars, are painetd in bright green on the outside with a white line running across the middle. The appointments include cooling and heating accomodations.

Chinese to Open Another Customs Station Along Great Wall

Preparations are being made by the Chinese authorities for the establishment of another Customs station along the Great Wall, namely, at Chienlinkow. This will be the fifth station to be established along the Great Wall, four stations having already been established at Kupeikow, Hsifengkow, Lengkow and Yiyuankow. Chang Yun-nien, Deputy Customs Commissioner, who has been entrusted with the work of establishing these stations, will make a tour of the Great Wall region as soon as the station at Chienlinkow has been opened.

Soviets Allegedly Occupy Manchukuo Town

On September 3, Soviet armed troops are alleged to have entered a village in the Tungning district in Manchukuo and, claiming that the village beglonged to the U.S.S.R., gave the villagers three days in which to evacuate. Later, Russian collective farmers are stated to hvae taken possession of the village. Shih Liu-pen, Special Commissioner of Harbin, Sept. 10 visited M. Rayvid, the Soviet acting Consul-General, and handed him a protest, at the same time demanding the evacuation of the Russians and a guarantee against the recurrence of a similar incident.

Ambassador Predicts Increasing French Investments in Manchuria

Increasing large French investments in Manchukuo are likely as soon as the French public becomes better acquainted with the actual progress and the improvement in the maintenance of peace and order in the new Empire, Naotake Sato, Japanese Ambassador to France told newspapermen in Dairen, Sept. 10.

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Kwantung Officials May Resign as Protest Against Army Domination

The Japanese Ministry of Overseas Affairs received a shock Sept. 12 when a report was received from Port Arthur that 15,000 officials and employees of the government of the Kwantung Leased Territory had decided to resign as a result of the internal fight over the reformation of administrative organs in Manchuria. This development is a result of the insistence of the War Office upon adoption of its program for revision of the Kwantung Government. The plan of the Ministry of Overseas Affairs has been strongly supported by officials of the Kwantung Government, who are reported to be incensed over the incorporation of only a few of the features of this program in the compromise scheme drafted by Premier Okada.

The compromise plan, it is understood, is primarily as follows :

1) While the post of Ambassador to Manchukuo is recognized as being purely a diplomatic position, it is to be held by the Commander-in-Chief of the Kwangtung Army, who will, however, receive orders regarding diplomatic affairs from the Gaimusho.

2) The Ambassador will have the right to superintend Japanese administration in Manchuria in all its phases, under the direction of the Premier.

3) A councillor will be appointed who will be a subordinate of the Ambassador, but will take actual charge of diplomatic affairs, while an "Administrative Secretary-General" will be installed, his orders coming from the Premier through the Ambassador.

4) The Governor of the Kwantung Leased Territory, to be appointed by the Emperor, will receive orders from the Premier through the Ambassador and the Administrative Secretary-General.

5) The Premier will exercise personal control over a Manchurian Affairs Bureau to be set up, with its chief a civilian official to be appointed by the Throne.

6) Bureau and section chiefs of the Ministries of War, Foreign Affairs, Overseas Affairs and Finance will form a special board to consider Manchurian affairs, which will also be under the direct control of the Premier.

7) Immigation and colonization in Manchuria will be controlled by the Ministry of Overseas Affairs, which will, however, ssue its orders to consuls in Manchuria through the Gaimusho.

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Japanese Officialdom Squabbles Concerning Manchukuo Reforms

Efforts of Premier Okada seeking to make the Foreign and War ministries see eye to eye on the question of the reform of various Japanese official organs in Manchukuo have so far failed.

The premier, Foreign Minister Hirota and War Minister Hayashi held a second meeting in less than 12 hours but separated without having agreed after a 50-minute discussion. Premier Okada Sept 11 presented to Mr. Hirota and to General Hayashi a compromise plan evolved between him and Mr. Kawata, chief secretary of the Cabinet, According to the premier's plan a new Bureau of Manchurian Affairs would be established directly under the control of the premier. The Japanese ambassador to Manchukuo, who would still combine the post of commander-in-chief of the Kwantung Army, would receive his orders from this bureau with the exception of matters relating purely to diplomatic questions, which would have to be settled by the minister of foreign affairs, according to the projected set-up.

A compromise plan prepared by the Cabinet secretariat for the reform of Japanese administrative organs in Manchuria, centres on the establishment of the Manchuria Affairs Bureau, whose presidency would be assumed concurrently by the Minister for Overseas Affairs. The plan also would provide that the present Governor-General of the Kwantung Leased Territory be replaced by a mere Governor and be placed under control of the Japanese Ambassador to Manchukuo.

The army group is stated to have so strong a faith in its own reform plan that it is said to be ready to wreck the Cabinet if it is rejected. Well aware of the strong attitude of the army, the Premier naturally hesitates to transfer the negotiations to the three Ministers concerned, General Hayashi, Mr. Hirota, and he himself for a settlement. He fears that if no agreement is reached by the three, a grave political issue may be precipitated.

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What the British Mission to Manchuria May Accomplish

Under the heading "A Well-Advertised Mission," the *Japan Chronicle* (Aug. 31) commented as follows on the British mission now on its way to Manchuria :—"If the Mission simply uses its Japan and Manchukuo courtesies as a cover for doing a deal with China, some business may be effected. Perhaps there is some idea of sounding the Japanese interests to see whether their idea of co-operation is that they should look after Manchukuo while England looked after China (or part of China). At any rate, no arrangements could be made with China without Japan's full knowledge. Both China and Manchukuo will note, no doubt, that an essential purpose of the mission is to circumvent commercial competition in these regions."

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Manchuria Is Not Lost, Says Peiping Paper

The Peiping *Ta Kung Pao* comments :—"The people should never forget that Manchuria is an integral part of China which was forcibly captured from this country by Japan. They must never treat Manchuria as lost territory. They must think of some way to recover that land from the hands of the Japanese. It would be completely absurd for the people to regard it as lost and not even to think of some way to save North China. Ninety per cent of the population in Manchuria is Chinese. We are positive that these people have no desire to be separated from China nor have they any intention to establish an independent state by themselves. Although Manchuria has been captured by the Japanese these people continue to regard themselves as

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Chineses and the Japanese as their enemies. This is indicated by the continued activities of Chinese volunteers in Manchuria. Although we are powerless to render material assistance to these patriotic Chinese our sympathy is with them. We will not forget what our brothers are suffering under the oppression of the imperialists; we should continue to treat Manchuria as Chinese territory aud there is no reason why we should regard North China, which is still under our own control, as lost. Although the situation is serious, it is not hopeless."

Soviet-American Debt Negotiations Result in Definite Deadlock

A deadlock has been reached in the negotiarions between the United States and Soviet Russia for a settlement of America's debts claim totalling over $500,000,000. Following a conference at Washington Sept. 6, between M. Troyanovsky, Soviet Ambassador to the United States, and Robert Moore, Assistant Secretary of State, a communique was issued stating that the talks had been without any satisfactory result whatever. The deadlock is due to the demand of the Soviets for a further loan before settling outstanding claims. President Roosevelt is reported to be agreeable to the provision of credit facilities for American firms wishing to do business with the Soviets, but has refused the demand for a loan of $100,000,000.

Soviet Recognition of Manchukuo Seen in Waterways Treaty

Soviet Russia and Manchukuo have signed a waterways treaty which is regarded in Tokyo as implying Russian recognition of the new state. The treaty was signed by representatives of the two governments at Heiho. The new treaty, the first to be signed between Russia and Manchukuo, provides for the settlement of any disputes which may arise regarding navigation on the Sungari or Amur rivers or on lakes along the border.

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Soviets to Withdraw Border Guards?

The Soviet border guards along the western Soviet-Manchukuo border will be withdrawn into the area far from the frontier line in order to prevent further disputes, the Soviet Consul-General in Changchun formally informed the Manchukuo Foreign Ministry at Changchun, Sept. 8. The Manchukuo government, it was learned, appreciates the Soviet action and is carefully watching to see if the promises of the Soviet Consul-General will be fulfilled.

Soviets Spend Huge Sums on Border Defence

The Soviet Union is spending from Yen 200,000,000 to Yen 300,000,000 yearly to maintain a huge military establishment on the Russo-Manchukuo border, Lieutenant-General Juzo Nishio, Chief of staff of the Japanese Kwantung Army, stated at Shimonoseki, Sept. 7, on his arrival from Changchun en route to Tokyo under special orders from the War Office.

Soviet Actor Plays Shakesperian Role in Persia

The Soviet actor, Vagram Papasian, returned to Moscow during the week from Persia where he won great applause in the part of Othello, which is his star role. He played in Teheran before an audience which included members of the Persian Government. It was the first time a Shakesperian play was produced in the Persian language.

Bandits Attack Japanese Armored Train on C.E.R.---Are Routed

A fierce encounter took place on the eastern section of the Chinese Eastern Railway Sept. 5 between a band of Japanese troops and a party of brigands who attempted to blow up a Japanese armored-train. The attempted destruction of the armored-train occurred about ten miles east of Muling, or roughly 40 miles from Pogranitchnaya, at the eastern terminus of the Chinese Eastern Railway. The armored-train was traveling ahead of a Harbin-bound passenger train, a protection deemed necessary on account of the increasingly frequent outrages perpetrated on the eastern section of the line in recent weeks. The explosion created a big crater in the ground and into the cavity tumbled the locomotive of the passenger train, although the engine-driver tried to avert disaster by applying his brakes. Meanwhile the armored-train had come to a halt and the troops aboard replied with their machine-guns to the intensive rifle-fire which the brigands directed at them, as well as at the passenger train. Japanese troops aboard the passenger train joined in the onslaught against the attackers and after a sanguinary encounter, during which the travellers crouched in terror on the floors of their coaches, the attackers were routed.

Forty-four Chinese Volunteers Executed for Causing C.E.R Wrecks

A group of 44 Chinese volunteer leaders, headed by Li Tung-hai, in North Manchuria met their death before a Japanese firing squad at the Harbin execution ground on August 30. The group, who were charged with having been responsible for many of the Chinese Eastern Railway train wrecks, were arrested by Japanese soldiers from Szechingtze, some distance east of Tsitsihar, capital of Heilungkiang Province. During detention at the Japanese military headquarters in Harbin, the arrested volunteer leaders were allegedly whipped black and blue all over the face and body and received other third degree atrocities at the hands of the Japanese. Li confessed that almost seven out of 10 of the Chinese Eastern Railway train wrecks were caused by his group and other groups of Chinese volunteers in North Manchuria as part of their campaign to recover Manchuria.

Soviet Consul-General at Harbin Forwards New Protests

Supplementing protests lodged by him previously against the beatings and torture of the arrested Soviet citizens, the acting Consul-General of the USSR at Harbin, Mr. Rayvid, Sept. 5 forwarded to the assistant diplomatic agent of Manchukuo at Harbin, Mr. Simamura, a new note together with the certificates of medical examination of Soviet citizens, Grigoriev and Golovina, who are receiving treatment in hospital after having been released from arrest.

For the second time the Soviet acting Consul-General in Harbin, M. Rayvid, Sept. 9 demanded of Sze Li-pen, Manchukuo's diplomatic representative in northern Manchuria, the immediate release of arrested Russian employees of the Chinese Eastern Railway. The Soviet demand, however, was rejected by Mr. Sze, who declared that every Soviet national who was taken into custody by the Manchukuo police is guilty of complicity in plots to damage the railway.

According to *Tass* reports from Harbin, relatives of the arrested Soviet employees of the C.E.R. are greatly worried about them in view of the conditions in which they are kept. The Japano-Manchurian authorities do not permit the arrested to see visitors, or to receive parcels with food. It is reported that the arrested if they refuse to affirm the required lies are being subjected to increasingly brutal tortures, in order to force "admissions" out of them.

Japanese Press in Harbin Urges Occupation of Railway

Tass reports that Japan-Manchurian circles are utilizing the recent trainwreck on the southern line of the C.E.R. for a new anti-Soviet campaign. The Harbin press has started an open campaign for military occupation of the C.E.R. The unofficial organ of Japanese military circles, *Harbinskoe Vremia*, wrote: "The best way out is for Japanese forces to guard the whole length of the C.E.R., since it has been proved that Soviet citizens are connected with bandits."

The Japanese newspaper, *Harbin Shimbun*, published an article saying: "It is necessary to occupy the C.E.R. and to guard it by Japanese military forces."

The entire Japan-Manchurian press in Harbin, according to *Tass*, is continuing its campaign clamoring for further arrests of Soviet employees of the C.E.R., and its demanding arrests of high officials of the railway management.

C. E. R. Guard Troops Refuse Protection to C. E· R.

It is reported from Harbin that the headquarters of the Chinese Eastern railway guard troops has informed the C.E.R. administration that, if the latter refuses to provide maintenance funds for the guards at the timber concession Tigrovaya Pad, the headquarters will be forced to withdraw the guards from the concession. The Soviet officials see in this action an attempt on the part of the Harbin headquarters to justify its inaction in protecting the C. ·E. R., while the guarding of the railway was actually suspended long ago.

The situation along the C.E.R. is thus described by Kalsuji Fase, staff correspondent of the *Osaka Mainichi*:— The administrative rights of the C.E.R. are shared equally by Russia and Manchukuo according to the stipulations of the Peiping treaty of 1924, which the Hsinking authorities agreed to maintain. However, this is only a legal regulation. In reality it may be reasonable to state that the controlling rights are in the hands of the Russian authorities. The C.E.R. comprising 1,700 kilometers of track, is being operated by Chief Rudy of the C.E.R. Management Bureau, appointed by Russian authorities, with 7,000 Russian officials and other railway workers under his jurisdiction. And yet, since the independence of Manchukuo, the surveillance and protection of the C.E.R. has been completely in the hands of the Nippon and Manchukuo authorities, with Soviet Russia possessing no power to safeguard the line. It is understood clearly enough that under ordinary circumstances, administration and protection can be provided under separate and independent jurisdiction, but North Manchuria being still in an unsettled state, with bandits rampant, protection of the C.E.R. line is of supreme importance, and it is a great inconvenience that operation and protection are under two distinct national authorities. The situation is also extremely dangerous. The eastern division is open to the serious threat of bandits who are supplied with modern munitions and arms. The bandits have considerable wireless equipment and maintain close liaison among their groups in the various localities. The marauders threaten the railway employees and are able to keep their movements in the dark. Thus they are able to operate in any manner desired to bring about the frequent railway accidents. Manchukuo and Japanese authorities, though they possess the right to protect the line, are unable to give it full play because the administrative power is in the hands of the Russians.

Marshal Feng in Retirement---Now Known as "The Kind"

("*Central News*" *Correspondence from Hsuchow*)

Marshal Feng Yu-hsiang, familiarly known to the general public as the "Christian General," is living a quiet leisurely life on Taishan, thrifty as ever, yet generous. He makes his lodging at Wu Hsien Chih, a famous temple situated on a scenic slope of the sacred mountain, where pines and cypresses grow in abundance and waterfalls course down in sprightly sprays. That, however, does not mean that he is entirely secluded; from the temple to the Tai-an Station and the city of Tai-an run smooth roads. The temple is also connected by telephone with the magistracy of Tai-an and the Chung Tien Men on the Yu Hwang Peak.

The Marshal, according to his followers, rises about 6 o'clock in the morning. After taking his daily exercises for about one hour, he practises calligraphy and then plunges into his books. Taking a keen interest in current problems of national and international importance, he daily reads almost all the important newspapers from Nanking, Shanghai, Peking and Tientsin. Nevertheless he avoids talking politics with his friends and callers.

Despite his interest in his studies, Marshal Feng does not neglect his health. Every afternoon he goes out for a long walk, sometimes without any definite destination. In plain clothes and straw sandals and with a bamboo stick in hand, he wanders about the mountain and does not return until dusk. Very often for three or four days, it is told, his followers lose trace of him altogether. Madame Feng sometimes accompanies him in such ramblings.

The Marshal is thoroughly at home with the farmers and village folks, taking great delight in conversing with them.

He questions them minutely about their work and livelihood. True to his principles of simple living, he praises those who eat millet cakes, which he says are more economical as well as wholesome than fish, meal, rice and flour.

Marshal Feng himself is very thrifty. He takes very plain food. It is said that he even entertains such noted guests as Sun Fo, President of the Legislative Yuan, General Li Lieh-chun, State Councillor of the National Government, with bean curd, bean sprouts, millet porridge and "man tou," though he extends to them the warmest hospitality. His monthly expenditure, including payment of wages to his one battalion of bodyguards, stationed at Pu Chiao Sze, a temple near Wu Hsien Chih, is only a little over $2,000.

Thrifty as he is Marshal Feng is very generous with the poor. He gives relief to the poor mountaineers twice every year, and during the wintry season he gives them homespun cloth and cotton. Toward the end of each lunar year he presents to each family one sack of flour, five catties of beef, eight catties of millet, two boxes of candy and cakes and two dollars in cash.

This has earned him the new soubriquet of "The Kind."

China's Fisherman Need Assistance, Says Nanking Journal

The *Central China Daily News* comments:—"Japan is only an island empire and yet its fishery machine is efficiently organized. But what about China, a country many times larger than Japan. For many years the Chinese Government has looked upon the fishermen as outcasts. The Peking Government did nothing to improve that trade. Although the National Government has paid little attention to this particular line of trade, nothing effective has yet been done. The Fishery Law was published in 1929. The law has undergone several revisions and yet it still does not suit the actual conditions of the trade. Five years have elapsed since the Law was promulgated, but so far it remains a dead letter. Shantung, Kiangsu, Chekiang and Kwangtung once established experimental fishery grounds, but all of them were closed down on account of shortage of funds. It is true that several fishery schools are in existence but what the students learn there cannot be applied. The only result of these schools is to turn out many educated young men who cannot find employment. What is the use of having these schools?

"We would suggest that the authorities, instead of working out comprehensive plans they never intend to put into effect, should keep their mouths shut and do some actual work. All these so-called organizations for the promotion of welfare of the fishermen should be abolished forthwith and the money thus saved diverted to assist the fishermen who are actually doing some fishing. China has 1,500,000 people engaged in the fishery trade and it is up to the Government to do something for them. When China loses her fishery trade, with it goes China's coastal defence."

Ammunition Depot Explodes at Nanking

Due to careless handling by a truck driver, 50 boxes of hand grenades which were being unloaded Sept. 11 from a truck near the entrance of the Ministry of War's main ammunition depot at Whansimen, Nanking, exploded and demolished several structures in which obsolete rifles were stored. The main depot was not affected by the explosion.

Chinese in Korea Resent New Immigration Law

A tense situation has arisen in Korea as a result of the new immigration law aimed at Chinese. The new law, which was promulgated by the governor on Sept. 1, consists of four articles. It requires each Chinese immigrant to put up security amounting to 100 yen, and prohibits all Chinese laborers from entering Korea. Chinese immigrants from "Manchukuo," however, are exempted from application of the immigration law. The restrictions on Chinese immigration, according to the governor, have been imposed for many years, and the grip is tightened in view of the steady increase of Chinese immigrants by nearly 3,000 every year as a result of the economic crisis in China. The governor justified the enactment on the ground that Japanese and Korean laborers were affected by the Chinese influx and that peace and good order was jeopardized by the increasing number of Chinese unemployed in Korea. Chinese merchants and workers in Seoul declared a general strike after holding an emergency meeting in the Chinese Consulate-General in Seoul. The Japanese governor of Korea thereupon proclaimed martial law and sent out armed police to patrol the streets to prevent rioting on the part of the Chinese, and a tense situation prevails.

Chinese Deported From Japan Relate Details of Cruelty

During the week further groups of Chinese deportees from Japan arrived in Shanghai. According to one of the deportees the Japanese police used third degree methods on them to prevent them from spreading anti-Japanese propaganda upon their return to their father-land. Most of the Chinese deportees had engaged in manual labor and bought property with their funds with the object of settling down in Japan. Now that all their belongings are confiscated, they have been left penniless.

College Graduates to Get Work in Former "Red" Areas

General Chiang Kai-shek's intention to place college graduates in the rehabilitation work in former Red areas in Central China will be a god-send to thousands of the "white collar" unemployed army, according to special correspondence from Nanking in the *China Press*. Just when the flock of unemployed college graduates is outwardly or inwardly, deploring the failure of the national government to provide work for them, the Genereralissimo has ordered the Ministry of Education to conduct a national survey of unplaced college graduates. Qualified and promising trained young men will be given positions under the Generalissimo's headquarters in Kiangsi and other Red-stricken provinces.

A definite plan which tackles the college unemployment question from a fundamental as well as immediate view-point has also been formulated by Huang Hsu-wan, member of the Examination Committee. He declares that the government should go to the Chinese Maritime Customs for data relating to the daily articles the country needs. Then factories should be jointly set up by the Ministry of Education, Ministry of Industries and the National Economic Council for the manufacturing of these articles. Students who are still in school should be sent to factories for practice at intervals while graduates should be given work in the factories.

President J. Usang Ly Gives Reception to New Chiaotung Students

President J. Usang Ly, of the Chiao-tung University, gave a reception to the new students Sept. 11. After introducing members of the faculty to the new students, President Ly delivered to the new students, members of the faculty and others that were present, his address of welcome, in which he said the instruction they would receive would transform them into the "standing army of reconstruction."

Sir Frederck Maze on His Way Back to China

Sir Federick Maze, Inspector-General of the Chinese Maritime Customs, who has been spending his furlough in England, departed from London Sept. 8 on his way back to China. Sir Frederick, when interviewed, declined to discuss political conditions in China, but said he was glad to affirm that, despite the world depression and fluctuations in the price of silver, the trade and revenue position of the Republic remained satisfactory, although he was aware that there had lately been a decrease of imports. He added that the position as regards the development of communications in China generally continued to show a progressive improvement.

Japan Wishes to Be Consulted on Pilot Regulation Revision

The pilotage question was discussed at a meeting between Mr. Ariyoshi, Japanese minister to China, and Wang Ching-wei, president of the Executive Yuan, at Nanking Sept. 11. The Chinese maintained that it was China's right to revise the pilotage regulations as she saw fit, while the Japanese minister asked that Japan be consulted prior to revision.

China and Turkey as Rivals for League Council Seat

The 81st session of the Council of the League of Nations opened at Geneva Sept. 7 and the 15th session of the Assembly opened Sept. 10. The Council of the League of Nations had assembled at Geneva Sept. 6, but dealt exclusively with administrative questions. The customary opening speech was delivered by Dr. Eduard Benes, Chairman of the Council, in which he outlined the general international political situation and spoke of the importance of the League for the cause of peace. He said conditions prevailing at present in the Far East, the Sino-Japanese situation, in general, and the Manchukuo problem, in particular, the strained relations between Japan and Soviet Russia, are facts of an exceptional gravity, but, "when objective history will have examined the Geneva battle on this subject in recent years, our institution will emerge from it neither dishonored nor without having obtained extremely important and tangible results."

China Formally Applies for Council Seat

Quo Tai-chi, Chinese minister to London and principal delegate to the League of Nations, Sept. 8 approached Joseph Avenol, League secretary-general, in writing, asking him to submit China's candidacy for re-election to the League Council at the current session of the League Assembly :—"In accordance with the resolution on the rules governing the election of nine non-permanent members of the League Council for the duration of their mandate, and the conditions of re-eligibility adopted by the League Assembly on September 15, 1926, I have the honor to ask you kindly to submit to the Assembly my government's request that China be declared re-eligible." China's was elected non-permanent member of the Council in September 1931, and her mandate is expiring during the current session. Confirmation of her re-eligibility will require a majority of two thirds of the Assembly's votes.

Quo Tai-chi, in a statement Sept. 6, said the existing tensions in the Far Eastern situation increase rather than lessen the necessity of China's presence in the Council; in addition there is the technical collaboration program with the League which is to be continued and expanded. "China has a natural claim to a seat on the Council owing to her geographical importance and the fact that she has become the prime defender in the Far East of the League Covenant and the champion of the idea of co-operation between the East and the West, Mr. Quo said.

The question of the re-election of China to the League Council is regarded as hopeful, according to a spokesman of the Ministry of Foreign Affairs in an interview at Nanking, Sept. 8. Although the candidature of Turkey is being supported, the tense situation of the Far East is a factor to which the League Assembly is giving great consideration. China, being one of the important nations in the Far East and having faithfully served on the League Council, it is believed in Nanking that China's candidature for a non-permanent seat in the Council stands a very good chance. The tense situation between Soviet Russia and Japan, and China's proximity to the scene of Far Eastern politics, makes it more than likely that the re-election of China to the League Council will be supported, the spokesman averred.

Reuter's correspondent at Geneva summed up the situation Sept. 6 as follows :—The question of the re-election of China to the League Council is causing serious concern to China's friends. They would like to see her re-elected for another term on the Council but the candidature of Turkey is being powerfully supported. In the event of a straight fight between Turkey and China for the non-permanent seat, there is little doubt that China will be able to get a majority of votes easily. However, before she can put forward her candidature, China must obtain a two-thirds majority vote from the League Assembly agreeing to her re-eligibility for the Council. It is thought in Geneva that Turkey will not find it difficult to secure one-third of the votes against China in this preliminary election. If China manages to get a vote for re-eligibility for the Council it is believed that she will certainly get a majority vote in the actual election for the non-permanent seat on the Council. But if China is eliminated in the Assembly vote on re-eligibility, then Turkey's chances for election to the Council seat China vacates will be very real.

China as the "Defender of the League Covenant"

Kwei Chung-shu wrote in the Shanghai *Evening Post* (Sept. 8) :—"The arguments advanced on China's behalf by Quo Tai-chi are far from flattering. Much as one may wish to endorse Mr. Quo's views, his characterization of China as 'the prime defender of the Conveant of the League in the Far East' does not seem to agree entirely with facts. As far as one's memory can recall, China had done little to defend the Covenant and other international treaties which Japan has seen fit to violate. Except the spectacular but short-lived display of resistance in Shanghai, Japanese invasion of this country has proceeded without let or hindrance. Not only have the Chinese authorities, caught in a state of unpreparedness, failed to administer punitive measures to the common enemy of mankind, but also the major powers have been constrained, for one reason or another, to suffer the wanton defiance of every conception of justice. There has been no effort on the part of any nation to defend the Covenant; there has only been a sacrifice of Chinese territory and people to preserve a semblance of peace. China has been neither a defender of the Covenant nor that of herself; only she has been made a precious offering to Japan's insatiable desire for conquest. Really Mr. Quo need not attempt to exonerate China for her inaction when the other nations signatory to the Covenant can scarcely boast of a cleaner conscience."

Soviet Russia Formally Offered Seat on League Council

Procedure in connection with the admission of Soviet Russia as a member of the League of Nations was discussed by British, French and Italian Foreign Office experts on League matters at Geneva Sept. 9. The French delegation canvassed for signatures in favor of extending an invitation to the Soviet to join the League—an act of friendiness which afforded another sign of the ties between France and Russia. Two-thirds of the members signified their acceptance, the necessary majority required for the election of States as members.

At a private meeting of the Council of the League of Nations Sept. 10, it was unanimously decided to offer Soviet Russia a permanent seat on the Council. Switzerland, from whom for the past decade the vice-president has been selected regularly as a matter of course, was excluded from membership. This exclusion is ascribed partly to the hostility Switzerland has offered to the admission of Soviet Russia as a member of the League. Another reason is a desire on the part of the Great Powers to see the Bureau lead the Assmebly by a unanimous invitation to Russia to join the League.

Commenting on the proposed admission of Soviet Russia into the League of Nations, the Tokyo *Yomiuri*, said that this international body has now become a League of European nations. The paper continues : "The League, which indirectly forced Germany and Japan to withdraw from its membership, has paved the way for the entry of Soviet Russia." The *Yomiuri* doubts whether this measure will add to the stability of the League, whose existence has been much weakened, stating that Soviet Russia in the League may prove a bomb which may explode at any moment.

Official circles in Tokyo do not think that the entry of Soviet Russia into the League will prove instrumentsl in checking Japanese influence in the East and German influence in the West, as has been suggested in some quarters. They express doubt as to the possibility of Soviet Russia maneuvering inside the League with regard to Far Eastern problems.

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Turkey May Succeed China in League Council

A Geneva dispatch of Sept. 5 stated that the Turkish Government had presented its candidature for the seat on the council of the League of Nations which China is due to vacate. The official Turkish statement said that Persia is withdrawing her candidature in favor of Turkey.

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Mr. Matsuoka Says Diplomats Thought Japan Was Bluffing

Yosuke Matsuoka, who represented Japan at the League Assembly on the Manchurian problem, is an advocate of the issuance without delay of notice abrogating the Washington Treaty. Among the views expressed by him at a recent meeting organized by the *Hochi* were the following : If Japan is to take part in the preliminary disarmament talks in October without going through the procedure of norifying her abrogation of the Washington Treaty, misunderstandings may arise in the minds of foreign nations. In the art of diplomatic tactics, Japanese are no match for Chinese and Western diplomats. It would be hoping against hope for Japanese diplomats to try to outwit foreign diplomats. Recourse to tactics or bargaining would be a poor policy. People talk of the best card in Japan's hands being notice of abrogation, but as Japan has virtually shown her hand, it has lost its value. Even if notice of abrogation is deferred to the last day of the year, it will not improve Japan's position. On the contrary, it will give rise to harmful misunderstanding, as delay may be interpreted as a sign of Japan's weakness.

Referring to his experiences at Geneva, Mr. Matsuoka said that although a variety of causes, direct and indirect, may be assigned to the final break at the League Assembly, the biggest cause was the misreading of Japan's attitude by influential Ambassadors in Tokyo. These Ambassadors were under the impression that Japan would not withdraw from the League of Nations after all, and their reports to their home Governments led the Powers at the League Assembly to conclude that the Japanese delegate was in a bargaining spirit when he gave them to understand that Japan would leave the League, Mr. Matsuoka said.

Will the Anglo-Japanese Alliance Be Revived?---A Study of the British Case

BY C. Y. HSIEH (謝志耘)

WHEN, during the Washington Conference, the late Lord Balfour spoke in substance that his Government was placed in a great dilemma over the fate of Anglo-Japanese Alliance, because its renewal would offend Britain's sister nation across the Atlantic while its abrogation would equally hurt her erstwhile ally, he presented the British case with unsurpassable frankness. That was in 1922. Barely three years had elapsed after the close of the World War. The part which the United States had played in deciding the issue of that gigantic struggle was liberally taken to heart by the Allies in general and Great Britain in particular. And with the advent, meanwhile, of the League of Nations, ideals and sentimants for once triumphed over cold calculations of interests and put Pre-War diplomacy into discredit. Since American and well-nigh world public opinion did not favor the continuance of the Anglo-Japanese Alliance, Great Britain was virtually forced to turn her back on Japan. The Alliance was set aside, but it was not dead.

To-day, twelve years later, the international situation is radically different and signs are not lacking that parties to the abrogated agreement have been contriving for its revival. There is no question that Japan is all heart and soul for a reunion. Neither is Great Britain altogether unmoved by the idea. Her passive policy vis-a-vis Japan's aggression in Manchuria and the way she has even tried to shield the delinquent acts of her former ally have been calculated to console Japan in her lone and isolated position. It was through British initiative that the League of Nations took actions on the postal issue of Manchuria which came dangerously near to a recognition of "Manchukuo." Recently a report was current to the effect that the British Foreign Office had contemplated the transfer of control over British Consulates in Manchuria from the British Legation in Peiping to the British Embassy in Tokyo. And now on top of all these is the dispatch of a trade mission to Manchuria by the Frederation of British Industries. This mission will have no connection whatsoever with any political questions, Baron V. W. Barnby, head of the mission, assured us, but he did not hesitate to say that Great Britain would have nothing to gain by delaying the recognition of "Manchukuo." His Lordship apparently did not think it relevant to consider whether the question is to gain with honor, and whether it is a gain without equal or even greater loss—the loss of British prestige in the cause of peace and justice.

With Great Britain gradually reversing the course which she reluctantly adopted in 1922, Tokyo has been especially coquettish to London for a reunion. Hence the crop of rumors and conjectures about an imminent renewal of the Anglo-Japanese Alliance.

Alliance May Be Renewed Some Day

But will the Alliance be renewed? There is a general as well as a specific aspect to this question. Specifically, that is, with reference to the possibility of such an event happening in the near future, we may say that it is unlikely. Reasons for this observation will be set forth later on. On the other hand, this does not rule out the possibility of Great Britain some day forming a new alliance with Japan. Let us see why.

To me the one aim of the Anglo-Japanese Alliance was to hold Russia in check in the East because Russian advance along that direction has always been regarded as a menace by both Japan and Great Britian. So long as Japan pursues a Continental policy of expansion, so long as Great Britain would not withdraw from her empire in the East, and so long as the Soviet Union is proving daily stronger—even stronger than Czarist Russia—the raison d'etre of an Anglo-Japanese alliance exists. And this cardinal fact of a mutual Russo-phobia of Japan and Great Britain has the strength of geography and history on its side.

A casual glimpse at the map of the world will bring home to anyone the fact that British empire in the East and its route of communication with the mother country are open to menace by any Russian advance. Malta, Cyprus, Aden, India, spheres of interest in Persia, Afghanistan, Tibet, etc., have been British outposts in the Anglo-Russian struggle. They form a line at once too long and too precarious. An ally at the other end of the East to harry the Russians would relieve Great Britain of much of her defence burden. This ally readily offered itself in the form of Japan since the latter had, after its awakening, followed a Northwestern instead of a Southwestern line of expansion and had adopted a Continental rather than a maritime policy of aggression, thus making compromise with Great Britain feasible and conflict with Russia almost inevitable.

And history is even more eloquent as a testimony. During the Nineteenth Century Great Britain had waged or threatened more than one major war to keep Russia within bounds on the Eastern front. The Anglo-Japanese Alliance was concluded in 1902. That was when Russia had been taking advantage of Allied intervention in Peking following the Boxer uprising to ensconse herself comfortably in Manchuria, to the great alarm and uneasiness of Japan. That, again, was only four years after Russia had reached out to the Pacific by forcing on China the lease of Port Arthur and Dalny (Dairen) and Great Britain had countered her move with a nava lease at Weihaiwei. In fact, the certainty of a war against Russia was envisaged by the Alliance. That this instrument was later rendered partly meaningless by the conclusion of the Anglo-Russian Entente in 1907 and was, instead, orientated to combat German influence in the Far East were incidents of history and did not alter its original and essential anti-Russian aim. Further validity is given this view if it is remembered that it was only when Soviet Russia had been still a nonentity in world politics that Great Britain consented to the abrogation of the Anglo-Japanese Alliance. But in proportion as the Soviets have steadily gained strength and prestige during the past decade, the scare of the Russian Bear has been augmerted and the need, more deeply felt, of the renewal of the Anglo-Japanese Alliance.

In addition to this all-important reason, there are other factors arguing for the revival of Anglo-Japanese partnership. In the political sphere the Pre-War alliance diplomacy is once more in vogue. France and Soviet Russia have happily ended their feud by a new "mariage de raison" sometime ago. Italy also took the initiative in forming a Central European bloc with Austria and Hungary. Even France and Italy are now reported as having almost reached a politico-military-naval understanding (Politics, indeed, makes strange friends!). Where does England stand in case of emergencies? Must she be left isolated and in the lurch while others have insured or reinsured themselves with alliances and understandings? That would be unthinkable because, in the light of historical experience, "splendid isolation" never pays. Somehow or other Great Britain must find an ally somewhere. France has wooed her with persistency and Italy has been traditionally solicitous of British friendship; but Great Britain does not wish to commit herself too much in Continental affairs for fear of their serious complications. Then how about proposing to the American cousins to form an Anglo-Saxon alliance? The idea would appeal to many it is true, but it is more than doubtful if it would be given a trial. The results of a decade of experiment along the line of Anglo-American co-operation in place of Anglo-Japanese Alliance are, to say the least, not very encouraging. While the relations between the two countries on both sides of the Atlantic have not deteriorated, they, too, have not improved. Why, then, many British would ask, continue to pay the price of a beneficial alliance for problematical co-operation?

The Economic Phase of the Problem

If the political outlook of the world renders the renewal of Anglo-Japanese Alliance highly possible, the economic situation is no less favorable. In this phase of the problem, however, so much misconception has been entertained about the seriousness of the Anglo-Japanese trade war as to engender an almost fatalistic belief in the impossibility of an Anglo-Japanese rapprochement. But optimism on our part is not justified.

The truth about the Anglo-Japanese mercantile competition is that it is by no means as serious as popular conception would like to picture it. There is reason to believe that the worst and the most bitter stage of the struggle has gone by. It may be that Great Britain has adjusted herself to the inroads of Japanese-goods by seeking compensation elsewhere. Once the equilibrium in British trade as a whole is restored, the initial shocks caused by the Japanese aggression would be forgotten. Statistics even reveal that Great Britain has set the pace on the way of recovery from depression. And a nation enjoying comparative prosperity certainly can afford to be generous toward its keen rival. Nor must it be thought that Japan is the only or even the foremost nation to worry British national economy. The conflict in monetary policies between Great Britain and the United States and frictions over tariffs between Great Britain and France have flared up now and then. Why, again, many British would argue, blame the Japanese alone?

There is another point in this Anglo-Japanese commercial rivalry which should bear close scrutiny. In its relentless dumping policy Japan has apparently found a lever with which to make favorable political bargains. She expected that Great Britain and her dominions would sooner or later despair of a futile resistance policy and would deem it of greater advantage to offer some concessions or otherwies accommodate themselves to Japanese competition. In this light the dispatch by Australia of the Latham Mission to Japan was perhaps indicative of the new tendency. Now the mother country followed up with the dispatch of Lord Barnby's Mission, which, allegedly non-political as it is, cannot be looked upon but with misgiving. For it is considered likely that Japan is holding out the bait of Manchurian trade to angle British recognition of "Manchukuo" or even more far-reaching political concessions.

Thus far we have dealt only with the political and economic factors which bid fair to revive the Anglo-Japanese Alliance. It remains to consider the human, psychological or social phase of the problem—a phase no observer of events can afford to ignore.

The real rulers of Great Britain to-day the Conservatives are out and out Japanophiles. They belong to that species of people who refuse to see any fallibility in the Japanese race. So long as they remain in power, which they are in a position to do now that they can blow the recovery horn in fortissimo, the Anglo-Japanese reunion is a daily possibility. Even passing from the ruling class to the British public at large, we may find that the idea of an Anglo-Japanese Alliance dies hard. This is quite understandable. At the opening of the present century Great Britain was frightfully isolated, while the signs of the times foreboded imminent international catastrophe. Luckily the Anglo-Japanese Alliance was concluded; it later proved to be the beginning of that system of alliances which tided Great Britain through the greatest war in history to victory. Naturally many people still remember with fondness the first move that saved Great Britain from isolation and a vital turning point in her history, and chose to forget the many treacherous deeds and general lack of good faith on the part of Japan during the World War. Under such circumstances the British public would lend a ready ear to talks of the renewal of the Anglo-Japanese Alliance. As to their "League" sentiments, they may just as well be altogether dormant. It need not be emphasized that they will not be roused and mobilized except at too flagrant acts of aggression committed by Japan, that is to say when it becomes necessary to show the world that Great Britain is still a member of the League.

So far I have dealt with the factors favorable to the revival of the Anglo-Japanese Alliance. While they are potent enough, they cannot bring about an immediate rapprochement, because there are other considerations which delay British action on this issue.

In the first place, Great Britain will, in any case, not take a definite and final stand on the alliance issue until after the fate of the coming naval Armaments Conference, is established. If the interested parties to that conference especially the three principal naval Powers, can arrive at some sort of compromise, Great Britain may still resign herself to accepting the new multi-partite agreement as a modus operandi without looking for such a bilateral agreement as an alliance. On the other hand, should the conference end in a fiasco, with a consequent worsening of the international situation, the danger is that Great Britain may join in the game of alliance in a big way.

Another fact which will have the effect of delaying British decision in the matter of alliance is the admission of Soviet Union into the League of Nations. Common membership of Great Britain and Soviet Russia in the Geneva organization may put the two countries on better speaking terms with each other and perhaps reduce British apprehensions of Soviet designs in the East. Should this be the case, then the need for a new Anglo-Japanese Alliance will be correspondingly diminished.

The Dominions Must Be Consulted

Thirdly, Great Britain will have to ascertain beforehand the attitudes of her dominions toward such a commitment as a politico-military alliance. As we know, the views held by the Dominions are by no means uniform. On the one hand, Canada adopts the view that once the mother country is at war, no part of the British Empire can be exempt from the struggle. On the other, General Hertzog, Premier of the Union of South Africa, came forth with the refutation that the Dominions of the British Empire can assume only such obligations as they will choose separately and expressly to undertake. With views thus diametrically opposed to each other, it is apparent that Great Britain cannot enter into serious political ommitments, without a prior intra-empire agreement as to the responsibility of the Dominions in matters of political treaties. But a common imperial accord is not yet in sight.

Finally, the British National Government will in all likelihood try to avoid a cabinet crisis and schism over the issue of an Anglo-Japanese Alliance, for such would be the outcome if the issue is pressed. The mandate of the existing Government is primarily for economic recovery, and would be considered abused should the Government evince too much interest in political engagements. Furthermore, broad-minded leaders like Premier MacDonald would resolutely oppose an alliance which will bring Great Britain as much if not more moral disrepute as material benefits (assuming there are such). These men are in a hopeless minority, it is true, but their influence cannot be entirely ignored without causing a cabinet upheaval of the first magnitude.

Weighing the pros and cons on the issue of the revival of the Anglo-Japanese Alliance and considering the future possibility, though present improbability, of the move, we may say that British diplomacy has come to a parting of ways. More than ten years of reorientated policy in the Far East have brought about most gratifying relations between China and Great Britain, despite such unfortunate incidents as Nationalistic excesses during the period 1926-1928 and the singular Thorburn affair. So that by the time Sir Miles Lampson was promoted to be the High Commissioner of Egypt, he was able to leave China with satisfaction and assurance of happy relations existing between his Government and this country. The appointment of Sir Alexander Cadogan in succession to Sir Miles was taken by China to mean Britain's intention to continue the policy of good will and co-operation. While these expressions of sympathy and understanding are being appreciated by China, disquieting signs have begun to appear on the political horizon. It seems that British policy is wavering between the League stand and the alliance diplomacy vis-a-vis the Far Eastern situation, between the new friendship of this country and the defunct partnership with an unscrupulous ally, between moral prestige and material advantage. Fundamentally, however, the dilemma is not difficult to solve. If Great Britain will stick to the open-minded League policy with reference to the Far Eastern situation, she will find ere long that this, too, will be ultimately to the real advantage and good of her erstwhile ally, and that the reversion to the discredited Pre-War diplomacy, besides damaging Britain's own prestige, will, by encouraging international delinquency, spell the ruin and doom of one whom it was intended to help. Will British statesmanship rise to the occasion? Let us hope so.

September 10, 1934.

Japanese Hear that British Wish to Sell Their Interest in Kailan Mines

A recent Dairen dispatch to the *Osaka Asahi* stated that according to information received there, the British interests concerned are disposed to part with the Kailan mines if sufficiently favorable terms are offered. Britain has hitherto been firmly determined to retain these mines, together with her interest in the Peiping-Muden Railway, as important footholds for development in North China, and consequently this news is causing widespread interest, the message says. The Kailan mines were first owned by the Kaiping Mining Company, which has its head office in London. In 1912, this company effected a merger with the Lanchow Mining Company, a Chinese concern, forming the present Kailan Mining Administration under British control.

On the score that one condition of the contract was that after ten years the Lanchow Mining Company could pay over the property of the Kaiping Mining Company at an equitable price, the Chinese interests approached the British side with a request for the transfer of the property but the negotiations fell through. Both the Kaiping and the Lanchow Companies have each a capital of £1,000,000, and the annual output of the Kailan Mining Administration amounts to 5,000,000 tons. Kailan coal, indeed, almost monopolizes markets in the main provinces of China. To Japan also 200,000 to 300,000 tons are exported annually.

If the report is true that the British interests have made up their minds to part with the Kailan collieries, it seems to imply Britain's withdrawal from North China to all intents and purposes, and this decision is very important politically. This adds to the public interest in the future turn in Britain's Far Eastern policy, the message adds.

How the Nanchang Police Enforce Order Against Short Sleeves

A letter from Nanchang in the Chinese edition of the Shanghai *Evening Post* says that the police authorities of said city are doing their level best to combat "short sleeves" in pursuance of General Chiang Kai-shek's decree. When the order was first issued many women refused to wear long sleeves, preferring to pay fines to the authorities. But later the police outsmarted the weaker sex by inventing paper sleeves. Any woman or girls caught on the street wearing short sleeves were presented with a pair of paper sleeves of a color to match their clothes. The women were compelled to wear these on pain of arrest and detention for a certain number of hours. Later on the police found that they had to give away so many paper sleeves every day that they discovered it to be an expensive proposition. So they changed their tactics. Instead of using paper sleeves the police authorities purchased a large quantity of paint. With their ammunition handy the police began to look round for victims. When they discovered a woman or a girl wearing short sleeves they just stopped her on the spot and painted her arms up to the wrist with paint of a color to match the clothes. This was enforced with telling effect and now all women in Nanchang have put on long sleeves.

Chinese Custom House Planned at Hongkong to Check Smuggling

Rumors that Chinese customs stations may be established in Hongkong to check the extensive smuggling between the Colony and Canton, to which the continued decline in customs revenues at attributed, have been revived. The possibility of the scheme materializing is believed to have increased with the arrival in Hongkong of Li Shing-yi, sent here by the Ministry of Finance to investigate the extent of smuggling in South China.

Customs revenues in Canton have declined to about one-half of the figure for the corresponding period in 1931. This heavy drop is largely ascribed to smuggling, which is difficult to prevent under present conditions. By establishing customs stations in Hongkong, payment of duties would be made there, and the smuggling would to a large extent be checked at its source.

It is understood that on his way back to China from London, Sir F. W. Maze, inspector-general of Chinese Maritime Customs, will break his journey at the Colony to conduct negotiations.

CHINESE RAILWAYS

SHANGHAI-PEIPING THROUGH EXPRESS.
(Connected with N.S.L. Nos. 301 & 302)

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
20.45	21.25	▲ PUKOW	1.20	1.40
16.54	16.57	▲ LINHUAIKWAN	5.40	5.43
16.04	16.19	PENGPU	6.19	6.34
13.52	13.57	NANHSUCHOW	8.45	8.50
11.50	12.05	HSUCHOWFU	10.50	11.10
10.02	10.17	LINCHENG	13.00	13.15
9.13	9.16	TENGHSIEN	14.06	14.09
7.40	7.55	YENCHOWFU	15.36	15.56
7.15	7.18	CHUFOU	16.21	16.24
5.34	5.42	TAIANFU	18.05	18.20
3.25	3.45	TSINANFU	20.12	20.42
2.03	2.13	YUCHENGHSIEN	22.05	22.15
0.24	0.39	TECHOW	23.55	0.25
22.37	22.47	POTOUCHEN	2.12	2.22
21.36	21.46	TSANCHOW	3.16	3.29
18.30	18.40	TIENTSIN (C)	6.40	7.00
17.59	18.20	TIENTSIN (E)	7.10	7.35
—	15.05	PEIPING	10.29	—

PEIPING-HANKOW RAILWAY.

14.05	▲ PEIPING	22.00
13.27	▲ CHANGSINTIEN	22.48
9.54	PAOTUNG	2.23
5.50	SHIHCHIACHWANG	6.28
2.19	SHUNTEH	10.01
19.27	SINSIANG	16.45
16.43	CHENGCHOW	19.26
13.59	HSUCHOW	22.08
12.16	YENCHENG	23.51
9.58	CHUMATIEN	2.34
6.10	SINYANG	6.01
3.36	KWANGSHUI	8.36
22.45	KIANG AN	13.15
22.30	HANKOW (Tachimen)	13.25

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
9.30	—	HSICHIMEN	—	16.48
8.06	8.16	NANKOW	18.07	18.17
—	—	CHINGLUNG-CHIAO	—	—
1.52	2.07	KALGAN	0.30	0.45
19.34	19.49	TATUNG	7.01	7.21
15.48	16.03	PINGTICHUEN	11.04	11.19
10.56	11.16	SUIYUAN	15.42	16.02
—	7.00	PAOTAO ▼	19.58	—

LUNGHAI RAILWAY.

5.15	—	▲ HSUCHOWFU	—	21.10
0.57	1.17	SHANKIUHSIEN	1.16	1.56
20.47	21.07	KAIFENG	6.20	7.00
18.40	19.00	CHENGCHOW	8.49	9.09
14.45	15.10	LOYANG E.	12.53	13.23
9.30	9.55	SHANCHOW	18.30	18.55
—	6.10	TUNGKWAN ▼	22.15	—

KIAOTSI RAILWAY.

7.35	—	▲ TSINGTAO	—	21.00
5.48	5.50	KIAOCHOW	22.46	22.48
5.06	5.16	KAOMI	23.19	23.30
3.26	3.41	FENGTZU	1.01	1.16
3.03	3.05	WEIHSIEN	1.36	1.39
1.36	1.38	TSINGCHOW	2.55	2.57
28.59	0.01	CHOUTSUN	4.32	4.35
—	22.00	TSINANFU ▼	6.30	—

CHENGTAI RAILWAY.

19.42	—	▲ SHIHCHIACHWANG	—	7.58
18.14	18.16	▲ TSINGCHINGHSIEN	9.27	9.29
16.00	16.15	YANGCHUAN	11.47	12.01
14.48	14.50	SHOUYANGHSIEN	13.50	13.52
12.40	12.49	YUCHIHSIEN	15.25	15.35
—	12.08	TAIYUANFU ▼	16.07	—

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Zku-Nkg Express R. Through	Express R.	STATIONS DOWN.		Express R.	Nkg-Zku Through Express R.
ZAHKOU	d.	7.45	17.30	SHANGHAI, N.	d.	7.50	15.00
HANGCHOW	d.	8.15	17.55	JESSFIELD	d.	8.07	15.17
CHANGAN	d.	9.06	18.53	SICCAWEI	d.	—	—
YEHZAH	d.	—	19.25	SHANGHAI, S.	d.	7.55	—
KASHING	d.	10.17	20.05	SUNGKIANG	d.	9.05	16.05
KASHAI	d.	—	20.31	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	9.51	—
SUNGKIANG	d.	11.25	21.20	KASHING	d.	10.25	17.20
SHANGHAI, S.	a.	—	22.25	YEHZAH	d.	11.01	—
SICCAWEI	d.	—	—	CHANGAN	d.	11.34	18.25
JESSFIELD	d.	12.11	22.16	HANGCHOW	d.	12.31	19.20
SHANGHAI, N.	a.	12.25	22.30	ZAHKOU	a.	12.50	19.35

NANKING-SHANGHAI LINE.

STATIONS UP		Express R.	Thro. Exp. Zku-Nkg R.	S'hai-Peiping Thro. Exp. (No. 302) R.S.	Night Express R. S.	STATIONS DOWN		Thro. Exp. R. Nkg-Zku	Express R.	Night Express R. S.	Peiping-S'hai Thro. Exp. (No. 301) R.S.
SHANGHAI, N.	d.	8.00	13.00	16.05	23.00	NANKING	d.	8.00	17.00	23.00	24.00
NANSIANG	d.	—	—	—	23.33	CHINKIANG	d.	9.25	18.25	1.00	1.54
KUNSHAN	d.	9.05	14.15	—	—	TANYANG	d.	10.07	19.05	1.52	2.43
SOOCHOW	d.	9.50	15.00	18.04	1.13	CHANGCHOW	d.	11.01	20.00	3.05	3.51
WUSIH	d.	10.41	15.51	18.55	2.13	WUSIH	d.	11.52	20.55	4.07	4.48
CHANGCHOW	d.	11.45	16.45	19.53	3.13	SOOCHOW	d.	12.47	21.50	5.13	5.52
TANYANG	d.	12.33	17.36	20.48	4.23	KUNSHAN	d.	13.26	—	—	—
CHINKIANG	d.	13.16	18.20	21.34	5.14	NANSIANG	d.	—	—	6.54	—
NANKING	a.	14.30	19.35	22.55	7.00	SHANGHAI, N.	a.	14.25	23.30	7.20	7.55

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.
2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

   1st class passenger . . . . . 80 kilogrammes (142 catties)
   2nd class passenger . . . . . 60 Kilogrammes (100.5 catties)
   3rd class passenger . . . . . 40 Kilogrammes (67 catties)

   Half of these quantities will be allowed on each child's half ticket of each class respectively.
3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.
4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

Moscow-Geneva Co-Operation, German-Japanese Alliance, Anglo-Japanese Alliance, Etc.

BY C. Y. W. MENG (孟 昭 泳)

THE Sino-Japanese crisis, as created by Japan's forcible invasion and occupation of the Chinese North-Eastern Provinces (Manchuria and Jehol), in gross violation of all international agreements, constitutes an "unprecedented crisis." But strange to relate, the so-called "big powers" instead of taking any definite steps to stop the Japanese aggression from becoming a menace to the world peace, have taken actions mostly to aggravate the situation and to encourage and help the aggressor. So far, there is no power standing for justice and for the maintenance of the sanctity of international agreements.

Since the outbreak of "Mukden Affair" on the fatal night of September 18, 1931—exactly four years ago—first, we find a conspicuous lack of co-operation between America and Great Britain. We note how the British always try to be friendly to both China and Japan, leaving Washington alone to deliver a series of notes to Tokyo, which without British cooperation, were only "scraps of paper" in the eyes of the Tokyo militarists. Secondly, we find the alleged secret understanding between Japan and France on the Far Eastern situation, which has helped the Japanese materially in their military activities in China. Thirdly, we find the big blunder committed by the Chinese themselves in relying on the old theory that by opening negotiation with the invaders directly they would eventually settle the whole situation, pointing out that when Tsinan, the capital of Shantung Province, was occupied by the Japanese forces before, during the march of the Northern Expeditionary Forces, the Japanese forces were withdrawn after negotiations; hence the same diplomacy might be repeated. So the present tendency of the Chinese policy is rather toward co-operation with Japan to settle the whole situation. After his property has been robbed by a thief, the master is still willing to talk with the thief on the conclusion of the affair, and on the disposal of the property: we also see the big powers opening direct contact with Manchukuo, such as the sending of an "industrial mission" to Japan and Manchukuo, the reported despatch of financiers to Manchukuo, and investment of foreign capital in Manchukuo for development of the latter, etc. Throughout, the whole Manchurian crisis was characterized by a series of blunders committed by the big powers, wilfully or intentionally, which make the aggressor more and more aggressive in policy and action then ever before, and make the situation in the Far East more and more dangerous. Should the situation in the Far East eventually lead to a war, not only the Japanese are to be blamed, but the powers themselves can never be exonerated from blame. Further instances have occurred recently which reveal that the big powers have taken action to aggravate the situation viz.: (1) The British opposition to the entrance of Soviet Russia into the League of Nations; (2) the revival of the Anglo-Japanese Alliance, as foretold by the sending of the so-called British industrial mission to Japan and Manchukuo; and (3) the formation of a German-Japanese Alliance.

Moscow-Geneva Co-operation Wanted, But Many Obstacles in the Way

The League of Nations is the only international peace organization in the world. Everyone is happy to see it still in existence, but everyone laments at the fact that this international peace organization is greatly handicaped by the absence of two big powers, namely, America and Russia. The former, however, is occasionally represented by an "observer," while the latter has never been represented in any form, since the coming into existence of the League. But, to the gratification of all, Soviet Russia has recently applied for entrance; thus, it is generally believed that Soviet entrance would do much towards redeeming and re-strengthening the prestige of the League after its prestige had been greatly destroyed by the withdrawal of Japan and Germany. One of the great problems which the League is discussing is undoubtedly the Far Eastern situation and the disarmament problem, but inasmuch as Russia is an important power in Asia, Russian participation and co-operation in the discussions are greatly needed.

The greatest obstacle to Russia's entrance to the League is British opposition. If one has read carefully the Conservative newspapers one will come to the conclusion that British opinion is one of "opposition" for two reasons: First: The British do not have much confidence in the Russians; secondly: By agreeing the U.S.S.R.'s admission to the League, the British are very afraid of arousing the ire of the Japanese. The Japanese have also already voiced their opposition, pointing out that the Russian entrance into the League is "to restrict the German activities directly and to restrict the Japanese activities indirectly," adding that it is the Moscow attempt to further isolate Japan and to force Japan to adopt a more peaceful policy and to abide by the League's decisions. "But Japan would never change her policy" is the final voice from Tokyo.

The Revival of the Anglo-Japanese Alliance

Recently, there has been much talk about the conclusion of an "agreement" between Great Britain and Japan, and the "revival" of the Anglo-Japanese Alliance. According to their understanding, the whole Asiatic Continent would be divided into two "spheres of influence" between Britain and Japan. The former would have a free hand in Middle Asia, while the latter would have the same in the North China. Each would recognize and respect the "special interests" of the other. Great Britain would accord diplomatic recognition of Manchukuo, while Japan would recognize the British activities in the South China. Japan would promise not to invade British India, or the Malay Peninsula; in case of a Russo-Japanese war, Great Britisan would come to Japan's assistance, etc.

German-Japanese Alliance

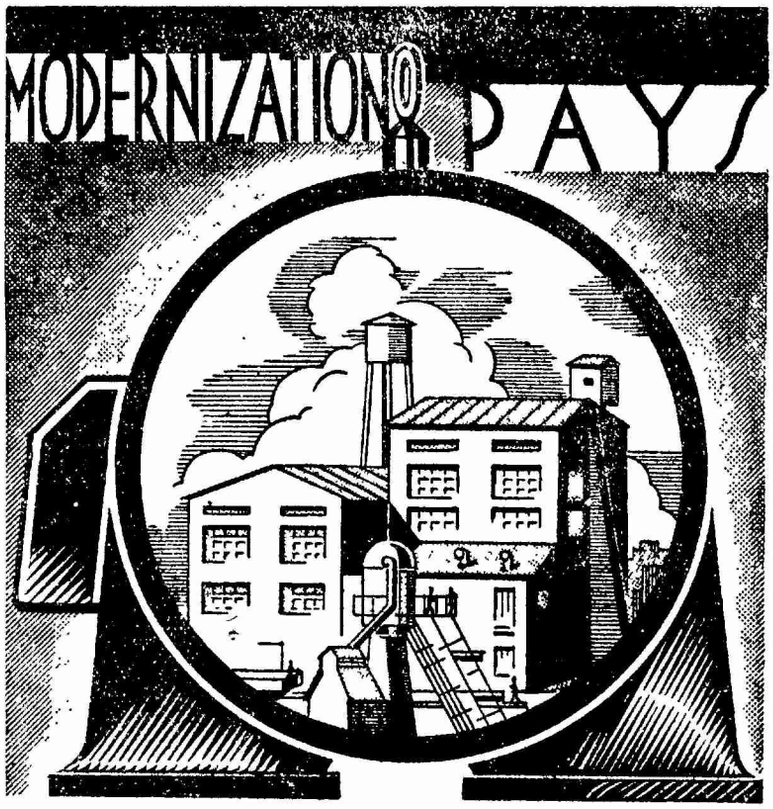
Let us now turn to another phase of the situation. Russia is Japan's great rival and traditional enemy. Sooner or later, Japan must come into armed conflict with Russia, as the Japanese aggression in China goes on. Since the coming into power of Herr Hitler in Germany, German policy has been one of national development and expansion. To expand westward will revive ill-feeling with Germany's traditional enemies (France and Belgium). To expand southward is likely to incur the displeasure of Italy. The one possible route is towards the east. Russia is quite aware of the German ambition. Ukraine, a Russian territory, rich in natural resources and agricultural products, is always regarded by the Germans as "German's Oriental Bridge," and the Germans have long been wishing to hold this "bridge." Realizing the impending danger, the Soviet policy has been: (1) To negotiate with the powers concerned for the prolongation of the duration of the "non-aggression pacts" which the Soviets had concluded with them previously; and (2) to negotiate with the Germans for some form of understanding or an agreement whereby both of them pledge themselves to maintain the independence of the Baltic states. Russia was quite successful in the first step, as many of the non-aggression pacts were prolonged; but Russia failed entirely in the second step when the Germans, in reply to the Russian proposal for a pact, said that the Germans could not see any connection between the said pact and the German-Polish relations. So Moscow, for once turned to Poland for a pact, which was eventually signed. That is to show the relationship and feeling, which is unsatisfactory indeed, between Germany and Russia, since the coming into power of the Nazi leader.

Facing a "common foe," it is natural that the situation has driven both Germany and Japan to gather together and to plan for common safety and security. The possibility of a German-Japanese alliance is greater since both of them withdrew from the League; when both of them consider the League has done them injustice; and when both of them desired to induce some other power (Turkey) to form a new League among themselves. German-Japanese co-operation could also be shown by the fact that the Germans once promised to invest more capital in the development of Manchukuo, while the latter promised to sell a large quantity of Manchurian beans to the Germans at reduced prices. But the possibility of the "Alliance" will be a reality as soon as Moscow steps into the League.

Our brief study of the present situation reveals to us that mankind is now doing exactly what it did before to expedite another world war. Secret diplomacy, alliances, etc., are agian the order of the day. Territorial expansion, political exploitation and economic penetration again characterize the policy of most nations, who style themselves as the "civilized nations."

Revival of the Anglo-Japanese Alliance Condemned

The British should be fully aware of the background of an Anglo-Japanese Alliance. The Alliance was formed in 1902, and the Russo-Japanese war broke out in 1904. The Alliance was renewed in 1910 and the annexation of Korea took place in the same year. That is to say, it is quite clear that without a "strong backing" from some power, Japan would not dare to take such decisive action. That was the Japanese primary motive. If the then existing situation is to be explained more fully, we shall realize that the situation is quite analogous with the present situation. Due to the formation of the so-called "Franco-Russo Entente," France was supposed to come to Russian assistance in the event of war. In order to relieve themselves from the embarrassing situation, Japan entered into an Alliance with Great Britain, according to which the latter was supposed to come to the assistance of the former in the event of war. But as a result, in the event of war, neither France would help Russia, nor Great Britain would help Japan, thus leaving these two to fight it out among themselves for supremacy in Asia.



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Due to the aggressive policy of Hitler, France and Russia have to come together to talk about the common safety and security, and France has to help Russia to make herself safe on the "western front." But as soon as Russia feels safe on her western border, in the the opinion of the Japanese, Russia will devote herself to the Far Eastern situation,—against which the Japanese must take some "counter action." The best way in the opinion of the Japanese is the formation of a "German-Japanese Alliance" or the revival of the "Anglo-Japanese alliance." So what is going on today is a repetition of what was going on about 30 years ago.

Germany at Fault

In making an alliance with Japan, and in joining with her, Germany might claim that Germany's chief motive is to oppose Russia. But the Germans are reminded that the situation is not so simple as that. Any one who is taking action or is joining with the "aggressor" is surely to be strongly opposed by the 450,000,000 Chinese. Through her early action in abolishing the unequal treaty with China, Germany had won a very friendly feeling among the Chinese. As a result, German trade in China has leaped from a small volume to the fourth in rank. Would the Germans care about the Sino-German feeling and trade? Would Germany be again willing to join with the aggressor to destroy the world peace? Would Germany again like to fight with the aggressor on one side against all other nations on the other? These are questions which the Germans should think about.

Nanking, September 8, 1934.

Britain to Shift Troops in Far East

The British transport *Dorsetshire* will sail from London October 3, carrying the 1st Battalion the Royal Inniskilling Fusiliers (27th Foot) from the United Kingdom to Shanghai. The *Dorsetshire* will then take the 2nd Battation the Worcestershire Regiment from Shanghai and land them at Chinwangtao, whence they will proceed to Tientsin to relieve the 1st Battalion.

What the Communist Party Hopes to Accomplish in India

Answering a Nationalist member in the Assemby in Simla August 14, who inquired about the aims and objects of the Communist Party of India, the Home Member quoted the High Court judgment in the Meerut conspiracy case and the party's own "draft platform of action." This judgment showed that the Meerut conspiracy's immediate object was not a mere theoretical ideal, but to overthrow by violence the present order of society and the Government by a combination of strikes and armed insurrection. Among many other methods for effecting their purpose was the spreading of revolutionary propaganda among soldiers and police in order to induce them to take part in an armed rebellion. These methods were prescribed in a document issued by the central committee of the Communist Party of India last February.

Indian Moslems Prepare for Elections

The working committee of the All-India Moslem Conference and the Council of the Moslem League are engaged in the preparation at Simla of a joint manifesto suggesting points for consideration by Moslem voters in the forthcoming elections. Both bodies have already passed resolutions to the same general effect and in substantially the same terms on a variety of subjects, brought before strong representative meetings. Among the points covered in the resolutions are the following:—

Discrimination against the Red Shirts (the Nationalist organization in the North-West Frontier Province) to the Government's attitude to civil disobedience is deplored, and the immediate release of Abdul Ghaffar Khan (the Red Shirt leader) is suggested.

The claims of British Baluchistan to reform are pressed, and meetings have deprecated the alleged repression of political activities in that territory.

The Moslems protest against the loss of their only seat in the Madras Cabinet by the appointment of a non-Moslem successor to Sir Muhammad Usman.

The Proposition to Establish a Silk Sales Organization

BY PAUL K. WHANG (汪仲韋)

THE leading silk producers of Kiangsu and Chekiang, as reported in the vernacular press, have now petitioned the National Economic Council and the Ministry of Industries to assist in the establishment of a sales organization with branches in France and America, to promote the sale of silk produced in China. The writer, in his numerous articles on silk industry, in the past, has repeatedly urged the government to co-operate with silkmen in opening up sales offices in foreign silk centers as a means to recover China's lost silk trade. It is gratifying to note that our leading silkmen at long last have awakened to the necessity of marketing their products directly to the foreign consumers, and that the officials of the National Economic Council and the Ministry of Industries are said to be favorably disposed toward this proposed sales organization.

That the present system of marketing our silk is an anarchronism can not be gainsaid. In the bygone days when China was the only silk-producing country in the world, the fame of China silk would induce foreign traders from the remote corners of the world to come over to our shores for the sole purpose of procuring this beautiful fabric, in spite of the perils of the high seas and the uncertainties of the long voyage. The Chinese silk producers, having had no worry of foreign competition, could sit at home and await the visits of foreign traders.

Japanese and Italian Competition

But now, with the change of time, the conditions are all different. At the beginning of this century, China began to feel keen competition from Japan and Italy, both of which could produce silk of a much better quality through the introduction of scientific proceses for breeding silkworms and the adoption of machinery in manufacturing silk. Moreover, both Japan and Italy have built up strong sales organizations with branches in every silk center of the world to promote the sale of their silk. As a result, China has rapidly lost ground and has been supplanted by Japan as the largest silk-producing country in the world. In the last two years, China's silk export averaged less than 30,000 catties per annum, while nine-tenths of American silk consumption, amounting to about 600,000 catties a year, were supplied by the Japanese silk producers.

In the past two decades, we have applied much of our efforts to rehabilitating our silk industry, but all our efforts of reformation have been confined to the production side. Only recently it has dawned upon our silkmen that the problem of marketing is just as important as that of production in the silk industry. Without adequate marketing facilities, we have been handicapped in competing with Japanese and Italian silk producers. The ignorance on our part to institute modern marketing facilities to meet the exigencies of the time is one of the principal causes of the downfall of our silk industry.

Just as was the case 30 years ago, we are now selling silk through foreign exporters, who have played the role of middlemen between Chinese producers on this side and foreign consumers on the other side. This system of indirect marketing might have been good enough to serve our purposes at the time when China silk enjoyed a monopoly over the world market. But when silk producers of other countries bring their products to the world markets and sell them directly to foreign consumers, this system becomes a hindrance instead of a convenience in the development of our silk trade.

In the past few years, a few far-sighted Chinese silkmen have opened up their own sales offices in New York and Lyons. But owing to the lack of financial resources they have not been very successful in carrying out their scheme, and many of them have since given up their attempt. At present, only two or three filatures still maintain their sales offices in foreign countries.

The advantages of direct marketing of raw silk are numerous. First of all, through the elimination of middlemen, Chinese silkmen can keep a direct contact with foreign consumers and manufacture their products in accordance with foreign requirements. Moreover, they can keep themselves informed of the trend of foreign silk markets, and thereby can change their sales policy accordingly Hitherto, they have been kept in darkness as to the exact situation of foreign silk markets, and the information they have secured from foreign exporters has been generally second-hand and out of date. For obvious reasons, a few unscrupulous foreign exporters have always been ready to issue either magnified or minimized reports to exploit the ignorance of Chinese silkmen.

And secondly, with the discarding of the present marketing system will go its many evils and abuses. A few of the foreign exporters have taken advantage of the present anomalous situation in conducting unfair practices at the expense of Chinese silkmen. Silk, in accordance with the local practice, is generally sold several months ahead of the delivery. At the time of delivery, if the market price is lower than that stated in the sales contracts, many of the foreign exporters will invariably resort to such an arbitrary practice as rejecting the goods on various pretences. In order to induce the foreign exporters to accept their goods, silkmen have to agree to a reduction from the contracted prices.

Besides, the Chinese assistants of the foreign export firms, either with or without the knowledge of their superiors, have indulged in perpetrating many evil practices. It has now become an established practice that Chinese silkmen have to pay a fee amounting to one dollar per picul to those Chinese assistants who conduct qualititive tests of silk. Besides, they have to pay exorbitant prices for repacking the silk for foreign exportation.

Government Assistance Is Necessary

In view of the inadequacy of the present marketing system to serve the present needs and its many evils and abuses, the writer has, therefore repeatedly urged the adoption of the system of direct marketing. In this connection, he has suggested, in one of his past articles, that either the silkmen should co-operate to organize a strong sales organization with branches in foreign silk centers, or the government should financially assist the silkmen in carrying out this scheme. But at this critical time when our silkmen have experienced considerable difficulty in keeping their establishments running, and have pressed the government for relief, they can not be expected to invest money in this sales organization. Therefore the government assistance is indispensable in carrying out this scheme.

It is hoped that the officials of the National Economic Council and the Ministry of Industries will without delay set aside a large sum for this purpose. The Government officials in the past have been always ready to map out elaborate reform programs and make empty promises. But elaborate programs and empty promises can not arrest the downfall of our silk industry, which, to all intents and purposes, has already reached a very critical stage.

A report from a Chinese silkman in France which appeared in the vernacular press recently stated that the Japanese have now dumped their cheap silk in the French market, and that the sale of China silk has decreased in proportion to the increase in the use of Japanese silk by the French manufacturers. France has been the only outlet of China silk, since the American market has been monopolized by the Japanese silk. The loss of the French market is undoubtedly the last straw to China's silk industry.

Moreover, a new formidable competitor will soon enter into the silk field. According to a the *Tass* dispatch from Moscow dated July 24, "The Soviet press reports exceptional success of collection of silk cocoons this year. A total of 15,000 tons of cocoons have already been stored by July 15 out of a total of 15,500 tons to be stored in 1934. Due to the growing demand for silk products, the existing silk factories in the U.S.S.R. have been greatly expanded, and many new factories are under construction. Eleven new silk weaving spinning factories will be built in the U.S.S.R. in the next three years. Over 140 million roubles will be invested in this branch of industry under the second Five Year Plan."

The rapid strides made by the Soviets in developing the silk industry will of course constitute a big threat to the present silk-producing countries. By means of cheap labor and government control, the Soviets may produce raw silk at such a low price that they can undersell all other competitors. If this *Tass* report can be given credence the U.S.S.R. is now well on the road to become the premier silk-producing country of the world.

Faced with the loss of our French market and the new threat from Soviet Russia, our government must immediately emerge from its indifferent attitude, and devise measures to reorganize our silk industry. While we should do everything possible to improve the quality of our silk, we should also devote our thoughts to the best system of marketing our products to foreign consumers. It is only through the building up of a strong sales organization and the improvement of the quality of our products that we can be in a position to meet foreign competition.

Shanghai, Sept. 10, 1934.

Ancient Traditions Die Hard Among Overseas Chinese

BY LAWRENCE CHEN

(in the China Press)

PEOPLE may learn the language of another people, and discard their own, adapt themselves to the modes of living of another people by necessity, and in a word, be wholly or partially assimilated, but national customs and tradition die slow. Superstitious beliefs have a tenacious hold upon the minds of aborigines, even after the third generation of their descendants have brushed shoulders with aliens and no more feel strange when meeting strange people whom they knew so little about once before.

A clear case which gives this statement a semblance of truth, or almost gives it final authority, is seen in the traditional burial customs of Chinese living abroad.

Lose Contacts

For almost six generations Chinese immigrants to the South Seas have solidly implanted themselves upon the soil, and their children and grand children, and so on down the line, have lost contact with the homeland. There they have prospered, after fighting grim battles and facing difficulties. A distinctly semi-European social structure has steadily been built up, and now most of the Chinese population has almost lost touch with current events at home, though they are nonetheless genuinely patriotic, and have manifested their zeal in various ways.

Many of them have received a European education, developed a European outlook, and are foreign to the spirit and letter of the term.

Somehow, the marital ceremony and the burial customs are as different from the European style as could be.

The Old Traditions

A relative is dead, and the bad news is formally announced by printed forms which state the number of lineal descendants of the dead in mourning. Near and far-off relatives come to pay their last respects to the departed according to prescribed rules, and go through the required rituals on certain days, and the ceremony lasts for a certain number of days, and priestly incantations are pronounced for the dead. Consanguineous relatives and direct descendants keep watch by the side of the dead and burn paper scrolls by day and by night, and bemoan the sorrowful loss in great anguish.

The funeral is elaborate, and before and after the interment other rituals are closely observed.

Such has been the burial custom from time immemorial, though many other Chinese burial customs are simple for religious reasons.

Carefully Observe Rites

But the greater number of Chinese living abroad observe carefully their own traditional customs in marriage, birth-day celebrations, and on other occasions.

Yearly pilgrimages to the tombs are made, and fat ducks, chickens, and pigs are brought to the graveside for that purpose. The custom of having a Chinese band accompany the offerings of sacrifices to the dead was still observed until recent years.

The position of the grave has always been of the greatest concern to living relatives, because it is believed that ill or good luck to living descendants may follow, and living descendants may prosper and multiply just on the choosing of a suitable site for the grave. The question of the "winds and water," the sloping of hillocks, the general surroundings, et cetera, are believed to have great influence.

Feuds Have

The digging up of a grave by people belonging to another clan, the obstructions placed in a way said to be harmful to one party or another, and many other such questions, had been the cause of many bloody clan feuds, or futile litigations. But such quarrels are seldom heard of nowadays.

It is for these and other reasons, that big sums are paid out for the construction of huge tombs, and great attention is also paid to the lay-out and position of the tombs.

A story is told about a son of one overseas Chinese merchant who was at that time a medical student in a European university. The son was taking a course in anatomy, and had been dissecting human bones. He sent back a picture to his father showing himself in the laboratory holding up a human fossil, and wrote to explain it.

The old man was shocked, deemed it an insult to the dead, and wrote to give his son a severe rebuke. Here again the traditional belief had a good hold upon the father's mind, though he was liberal in other ways.

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Can Restoration of Old Order Save China?

BY CHEN FU-SHENG (陳福生)

THE Anti-Modernism Movement is spreading like wild fire across the entire country. There is now a mania, an insane mania, for the old order of things. In newspapers and periodicals, we read that Confucian classics should be taught in primary and secondary schools, that dancing and mixed bathing are banned, that free social intercourse between the different sexes should be prohibited, that the lady-clerks in certain government organs are dismissed, that . . . . . ad infinitum, ad nauseum. That a nation should not throw away its glorious past we are ready to agree, but it is a gross mistake to think that mere restoration of the old order can bring about a nation's salvation. There is no disputing the fact that a nation is made by its history, by the experiences, during centuries, by what the people of a nation have done or borne together. However, we cannot subscribe to the view that it is advisable to revive all the ancient institutions in modern times. A nation can hardly survive if it lags behind, rather than keeps abreast of, the times. Well-said Wang Ching-wei: "China was the first country to invent paper and gunpowder at a time when most other nations were our inferiors in culture and in the arts and sciences. But what then happened? They imbibed our ideas, enlarged and improved on them, and are now far ahead of us, whereas we have been content to remain stationary. . . . It is high time that we reform and make an effort to catch up with world progress."

Misconception of the New Life Movement

There often arise misconceptions of the New Life Movement. True, the New Life Movement is nothing more than "Old Wine in a New Bottle," yet it is a movement to rejuvenate the nation, to establish a new mode of living and new life ideals; decidedly not a movement to restore anything that is old. Most Chinese lack national feeling, national consciousness; revival of ancient virtues is deemed necessary. But any attempt to restore all the old things, without taking into consideration whether they are apropos or malapropos, is ridiculous. It is diametrically opposed to the spirit of the New Life Movement. The conservatists in China have done a great wrong in restoring what is old and condemning what is new. The New Life Movement is a ray of hope while the anti-Modernism Movement is a death ray.

It is a madness that will pass—like many other mad fashions; but it is doing incomparable mischief. All efforts directed toward establishing a modern State and a Modern Society, are stultified. The development of civilization is obstructed. At the end of the Tsing Dynasty, the Reformists, Kang You-wei, Liang Shih-shao, Tan Szu-tung, attempted to establish a constitutional monarchy; they introduced sweeping reforms. The Great Conservatist, Empress Dowager, intervened and nipped the Reformation Movement in its very bud. The progress of China was retarded till the New Culture Movement, which was started fifteen years ago in Peiping and re-echoed in other parts of China. Unfortunately, when Modernism is in full swing, it meets again her great opponent, Conservatism. Verily, the Chinese nation is atavistic.

Chinese Non-Progressive

Generally speaking, Chinese people are not a progressive, energetic nation. When they find a new way seemingly unworkable, they give it up and revert to the old way. As they encounter a difficulty, they do not strive to surmount it but take it insuperable and dream of the "good" old times when there was no such difficulty. They often mistake causes for effects and vice versa; they sometimes believe incredible things. For instance, the people in my native district, Foochow, when they have bad luck, are inclined to think that something must have gone wrong with their ancestors' graves and that they can mend their ill fortune by repairing the ancestral graves.

The present-day China is in great peril. To conservative Chinese, the fact that China is in such a predicament is attributable to breakdown of old order. To remedy China's precarious situation, restoration of old order is imperative. As stated in the foregoing, it is extremely problematical that the salvation of China is conditioned on restoration of the old order. That the woman's wearing a permanent wave or appearing stockingless, dancing in a cabaret, etc., should have anything to do with the rise and fall of a nation may be regarded as an altogehter exploded idea.

Confucianism Once More Enthroned

Of interest in connection with this, is the enthronement of Confucianism. Confucianism, once dethroned, is now put on the throne again. Corruption, immorality, lawlessness, and chaos are the order of the day. Whether restoration of Confucianism to its former exalted position can remedy this state of things is a question open to doubt. The lawlessness and disorder of China is caused by the simple fact that a great number of Chinese people have no living. A careful study of the prevailing conditions in China lends conviction to the belief shat so long as a majority of the people can hardly get subsistence, political and social upheavals are unavoidable. Starvation and cold can create terror among an otherwise law-abiding and peaceful-loving people. "People cannot be expected to lead virtuous lives if they are not well-provided."

Two Great Problems

In my judgment, rural bankruptcy and unemployment of intelligentzia are China's two great problems, the seriousness of which is apparent when it is realized that until the rural districts are rehabilitated and unless a majority of the intellectuals are employed, the communist menace can in no way be eliminated. The assumption that communism can be eradicated by rectifying people's minds with Confucian thought, is erroneous. Communism, we know too well, can definitely be eliminated by improving the economic resources and livelihood of the people. That the ultimate victory of anti-communist campaign will be gained in several months appears to be certain; that communism will be eradicated in the nearest future seems improbable, Elimination of communist menace does not consist in military successes alone.

We sincerely hope that the government authorities will take steps to develop industries, to rehabilitate bankrupt rural districts, to modernize China. The slogan should be recovery, as well as advance, but should not envisage restoration of the old order.

Foochow, September 1, 1934.

Senate Committee Probe Reveals Secrets of Arms Trade

The special U.S. Senate Committee headed by Senator Gerald Nye from North Dakota, continued its investigations in Washington during the week into the operations of American arms manufacturers. Among the "high spots" in evidence given by Henry Carse, President the Electric Boat Co. were: His company paid $766,099 in commissions to Sir Basil Zaharoff over a term of years for business he had introduced. Sir Basil is known as the world's greatest arms salesman; he is one of the leading shareholders in Vickers-Armstrong, British armament concern. The German U-boats were built according to American patents licensed to the Austrian government and infringed by the German. Vickers-Armstrong had contributed U.S. $2,222,257 and Mitsubishi U.S. $196,245 to the Electic Boat Co. in patent royalty payments.

A letter to the management of the Electic Boat Company from the Mitsui Company in Japan was introduced by Senator Nye, which purported to disclose that the Mitsui Company arranged in 1912 to employ "Admiral T. Matsuo" to assist the Electric Boat Company to obtain orders for submarines for the Japanese Navy.

Rear-Admiral Clark H. Woodward, availing himself of an opportunity to testify before the committee characterized as "lies," charges by Senator Clark, that the Woodward was the "go-between" in transactions incident to the purchase of submarines from the Electric Boat Company by the Peruvian Navy. At the time the deal was arranged, Senator Clark alleged, Rear-Admiral Woodward was serving as chief of staff of the Peruvian Navy, under special authorization for the U.S. Congress.

"In order to do business in South America, you had to grease the ways," Mr. Spear, vice-president of the Electric Boat Co., told the Senate committee. A number of letters were read showing that Commander Aubry, Peruvian representative of the Electric Boat Co., had unsuccessfully tried to get himself appointed Peruvian delegate to a meeting held in connection with the Disarmament Conference of 1925. Commander Aubry wrote to his company, saying he would urge that there should be no quotas for submarine construction in South America, and that the submarine should be classed as a defensive weapon.

Sell Submarines—and Work for Peace

"We are selling submarines on one hand and working for the organization of peace at Geneva with the other," Senator T. Bone, member of the Senate special committee investigating committee, stated in summing up the revelations.

Evidence that the British Government gave to Japan the designs for the "K" type of submarine, was given during one of the hearings. Letters exchanged between Mr. Carse, President of the Electric Boat Company, and Mr. Spear, vice-president of the Electric Boat Company, were read. In one of these letters, Mr. Carse wrote: "It seems as though Messrs. Vickers Ltd. have double-crossed us in Japan in not having the contract executed by Mitsubishi, which I sent them in 1916 and which provided for a royalty of 10 per cent of the gross price. I know that they have given you the explanation that the British Government had given the plans for the K boats to Japan and, therefore, Mitsubishi did not think it necessary to proceed with our contract."

Among the witnesses to be heard during the hearing is E. I. Du Pont, head of the American munitions trust, with headquarters at Wilmington, Delaware.

Louis L. Driggs, president of the Driggs Ordnance Engineering Company of New York, told Senator Nye, that the King of England had summoned the Polish Ambassador into his presence and "interviewed him on behalf of the Vickers-Armstrong," British munitions trust. According to Mr. Driggs, King George's intervention was the "same kind of a gesture

which the British royalty has been using lately to boost British business."

Nations willy-nilly had to purchase arms in one of the seven countries manufacturing them, said Driggs, adding that, if the United States munition works could no longer accept orders, the latter would be passed to Great Britain, France, Italy, Poland, Japan, or Czechoslvakia.

Alleged Graft in Sales of Airplanes in China

A letter from L. E. Gale and Company, Hankow, an American firm acting as agents for United States airplane manufacturers, was put into the record as an example of the manner in which armaments firms grease the palms of officialdom in the Far East. Mr. Gale wrote: "It appears that in order to meet competition and pay the necessary squeeze, we will have to buy the Lockheeds at U.S.$14,000 each."

British Firm Uses Japanese "Menace" as Argument to Sell Arms to U. S.

The Soley Armament Company, a British concern, had suggested that Mr. Miranda visit the United States Departments of State and War and urge that the American Government purchase from the British concern a quantity of arms for the purpose of supplying such weapons to China for use against Japan. It was urged that Japan is "going to take a still larger slice of China, and under the above circumstances, the United States should support the Chinese and supply them with arms." the Soley letter declared.

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Fraud on China Allegedly Committed by a Czechoslovakian

A 41-year-old Hungarian, Max Glass, a citizen of Czechoslovakia, is being tried at Chrudim, Bohemia, in connection with a remarkable arms fraud on the Chinese government. It is alleged that M. Glass, while in Shanghai in 1924, undertook to supply arms and ammunition to the South (Canton) government and received about £12,000 advance payment. When the boxes supposed to contain the goods were unpacked they were found to contain nothing but scrap iron. The Chinese complained to the Czechoslovakian authorities, but owing to administrative disorders in China 10 years passed before the necessary documents reached Prague. Then a warrant was issued for M. Glass's arrest. M. Glass denies the charge, declaring that someone must have made unauthorized use of his personal papers when he was in China to practice the fraud in his name.

Tropical Medicine Conference to Open in Nanking October 3

The 9th Far Eastern Tropical Medicine Conference, postponed from last year owing to the Sino-Japanese crisis, is scheduled to open in Nanking on October 3. About 270 Chinese and foreign medical men are expected to attend the conference as representatives of medical associations in Australia, India, China, the Malay Federated States, the Philippines, Hongkong, Annam, Japan, Hawaii, the Straits Settlements, the Netherlands East Indies, Siam, the United States and Macao. Over 170 essays on tropical diseases have been received from specialists and will be read at the conference and later printed in book form for the benefit of the medical fraternity.

Wang Ching-wei, Chinese Foreign Minister and concurrently President of the Executive Yuan, has been invited by the preparatory committee to serve as honorary Chairman of the conference, and Dr. H. H. Kung, Finance Minister, and General Huang Shao-hsiung, Minister of the Interior, as honorary Vice-Chairmen. Dr. J. Liu, Director of the National Health Administration, will be Acting Chairman of the conference.

The conference, which opens on October 3, will last till October 7. At its conclusion, the delegates will be taken on a tour of leading Chinese cities, including Peiping and Hangchow.

U. S. Attorney General Rules on Nationality of Children

Any child born outside the United States after May 24, 1934, is an American citizen at birth, equally with children foreign born, to parents both of whom are American citizens, according to a ruling by Attorney-General Homer S. Cummings, made public in Washington recently. Retention of American citizenship by the child of half American parentage, however, is dependent on his or her fulfillment of two requirements, neither of which is exacted of a child of citizen parents. The half-American child must go to the United States and live there for five years immediately preceding its 18th birthday and must take the oath of allegiance within six months of attaining its majority. Failure to comply with either condition will divest him of the citizenship which he acquired at birth through his American father or American mother. But from birth to the age of 13 he is as much an American citizen as if born in the United States, or abroad of a citizen father and mother. Amendment of the act to eliminate or amend the five-year residence requirement from 13 to 18 of children of half American parentage is predicted as inevitable.

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Steady Improvement in China's Finances

A recent Nanking message stated that as a result of persistent efforts to balance the Budget, there has been a steady improvement in national finances. During the last few years the customs revenue. Salt Gabelle and proceeds from the consolidated tax aggregated about $770,000,000 annually. This sum, it is said, has been found sufficient to meet the civil and military expenditures, as well as amortization and interest charges on the national debts. Military expenditures consumed approximately $300,000,000 every year, or about 40 per cent. of the national revenue. This apparently high figure is defended on the ground that it is about equal to what Spain has been annually spending on her war machine, while the percentage of China's military expenditures in relation to the state revenue is said to be the same as that of the United States.

Highway to Wusih to Be Opened Next Month

The Shanghai-Wusih Highway constructed with funds raised by local government civic leaders will be opened to traffic early next month. The Shanghai-Wusih Bus Company hopes to start its service on the new highway as soon as the road is opened. Final preparations for the inauguration of the company were rushed following decision reached at a meeting of the founders of the company recently held in Shanghai. Among leaders present at the meeting were Mayor Wu Te-chen of the Municipality of Greater Shanghai; Hsu Pei-huang, head of the Bureau of Public Utilities; Tu Yueh-sen, prominent Frenchtown Chinese; Chang Chia-ngau, general manager of the Bank of China; K. P. Chen, managing-director of the Shanghai Commercial and Savings Bank and concurrently chairman of the Cotton Industrial Commission of the National Economic Council; Kwok Shun, general manager of the Wing On Cotton Mill; and Shen Pai-hsieu, noted industrialist.

Telegraph Conference Recommends Expansion of Wireless Service

Resolutions relating to the telegraph administration, telephone administration, telegraph and telephone equipment, and training of telegraph and telephone experts were adopted at the National Telegraph Conference, convened by the Ministry of Communications at Nanking during the week. It was decided to repair the various national trunk and branch telegraph lines.

The telegraph lines in the North-west and in Hunan are to be readjusted and improved. Light telegraph lines, originally installed for military purposes, will be taken over from the military authorities and repaired with funds from the Boxer Indemnity Refunds. In order to expand the wireless service to South China, the Conference decided to recommend to the Ministry the installation in Shanghai of four 2-kilowatt automatic radio apparatuses for communication with Foochow, Amoy, Swatow and Canton. Establishment of radio stations in the frontier provinces, and of smaller stations in bandit-suppression areas as well as the improvement of the equipment of various stations throughout the country were also decided upon. Special equipment is to be installed in the radio stations at Tientsin, Hankow, Canton and Amoy so as to establish direct communication between them and the International Radio Station at Shanghai. The erection of marine wireless stations along the coast at Haichow, Wenchow, Foochoow, Amoy, Swatow, Canton, Hainan Island, Peihai, and Sisha Islands was also proposed.

According to a decision of the Conference, the Nine-Province long-distance telephone service is to be extended to Sian (Shensi) and Taiyuan (Shansi); telephone communication between Peiping and Hankow is to be installed and the long-distance telephone service in Hunan expanded.

Drawings Are Held to Redeem Chinese Loans

Drawings for redemption of various Chinese Government loans were held at the Shanghai Banker's Association in Shanghai Sept. 10. Payment will be made as usual through the Central Bank of China, Bank of China or Bank of Communications throughout the country as from September 30, 1934, except that of the 2.4 Million Loan which will be made as from September 20, 1934.

Trains to Run from Sian to Lintung Commencing End of October

Laying of rails on the Tungkwan-Sian extension of the Lung-Hai Railway in eastern Shensi, has gone as far as Linkowchen, about 8 miles from Weinan, the present western terminus of the line. As the roadbed, bridges and tunnels have been completed, train service will be operated to Lintung, 17 miles from Sian, by the end of October.

German Aspersions on China's Credit Promptly Answered by Nanking Ministry

The somewhat surprising statement was made in Berlin last week by the president of the Deutsh-Asiatische Bank—all the more remarkable, coming as it does from a country that is not meeting its obligations—that China State Loans must be generally regarded as being in distress, and that the greatest caution must, therefore, be observed in new transactions with the Chinese Government.

The Ministry of Finance at Nanking almost immediately took up this challenge, a spokesman saying: "China's record of the past few years, in relation to its debt obligations, will bear favorable comparison with the records of most other countries." British dealers in Chinese loans in London were quoted as saying that such sweeping assertions as those of the German bank president need modification. They pointed out that Chinese Customs loans are among the stablest in the world.

China Wing On Finance Co. Commences Operations

The China Wing On Finance Co., Federal incorporated, U. S. A., commenced operations Sept. 8 with a capital of $1,000,000, contributed by overseas Chinese, former government officials, civilians, military leaders and retired merchants. It is the plan of the company's officials to bring into the concern for investment purposes further capital from outlying districts now lying idle, and to put it to such use as to benefit both agriculturalists and investors themselves. One of the primary features of the corporation will be the handling of American stocks, shares and commodities. To facilitate these investments abroad a direct teleprinter service from New York has been installed in the local office. In connection with this, desks have been installed from which local investors can speculate on the New York market and watch each activity of the various commodities. This same holds true of persons desiring to operate on the local stock exchange or on the goid bar mart.

China's Trade Balance Is $300,000,000 in Red in Six Months

According to statistics compiled by the Bureau of Foreign Trade of the Ministry of Industries in Shanghai, an unfavorable balance in excess of $300,000,000 has been registered in China's foreign trade during the first half of the year. The figures of both imports and exports during the period from January to June as released by the Bureau of Foreign Trade follow:—

Months	Value of Imports (in Shanghai Dollars)	Value of Exports
January	$105,460,157	$50,775,783
February	$ 82,757,640	$38,035,733
March	$ 99,428,015	$40,115,421
April	$100,960,369	$41,123,563
May	$ 94,984,242	$49,321,418
June	$ 86,259,413	$49,172,796
Total	$569,849,836	$268,544.714

Unfavorable balance.....$301,305,122.

The figures for July make the unfavorable balance still larger.

A New Model Village Being Built on New Kiangwan Road

A new model village planned by the Hsin Hua Trust Company is being built on the New Kiangwan Road, the location of which is less than ten mintues ride by private car from the heart of Shanghai. The area of the village at present is 50 mow and that will be expanded later as soon as all the new houses are completed. 58 foreign-style houses will be built within one year's time, and at present eleven are under construction and they will be ready for occupation before Christmas. The area for each house is from 4 to 9 fen, and the cost is from $11,000 to $18,000 for both the lot and the house. Only 30% of the total cost is required to be paid at first and the balance is to be paid by installments, which are extended over a period of ten years.

Inside the village all modern conveniences are provided. A large garden and a playground are established; for the convenience of the younger children in the village, a kindergarten is provided; many stores will be open to supply the residents with foods and other daily necessities; a modern garage is being established. Besides the police force provided by the village, the Bureau of Public Safety supplies as many policemen as are required for adequate protection. A private road is being constructed connecting the Old and New Kiangwan Roads in order that motor cars may enter the village from either side of the roads. Water, light and telephone are available, the same as in the Settlements. The rates for water and light and the land tax are comparatively lower than in the Settlements. Having numerous advantages and a clean and healthy country-side, away from the bustle of the city life, a *Review* subscriber writes that the residents of the newly-established village will have nothing to regret.

Japanese Minister Urges Construction of Reserve Air Fleet

Since his assumption of office, Mr. Tokonami, Japanese Minister of Communications, has been directing special attention to the development of civilian aviation. With this end in view, he claims expenditure amounting to Yen 1,510,000 in the estimates of his Department for the next fiscal year. This extension or inauguration of air routes between many places is projected, besides providing for the improvement of airdromes and for the encouragement of the aviation business. The Minister of Communications contends that as the air force is destined to suffer a rapid diminution in the event of warfare, there is a call for the existence of a reservist air force, but its creation is impossible in the present stress of national finance. As it can serve as a reservist air force in case of necessity the development of civilian aviation calls for urgent attention, he thinks. Big passenger planes should be capable of reconstruction into heavy bombers, those of the super-type into light bombers, and mail planes into scouting machines.

Giant German Plane Makes Record Trip from Germany

The Luft-Hansa Junkers 59 tri-motored plane arrived in Shanghai from Berlin on the afternoon of Sept. 6, having made the trip from Berlin in the record-breaking time of 8 days and 6½ hours. The plane left Berlin early in the morning of Aug. 29, making stops at Athens, Cairo, Bagdad, India, Bangkok and Canton in the course of its 15,000 kilometre trip. The plane was piloted by Carl August Frechem von Gablenz, veteran Luft-Hansa pilot, and with him on the trip were Robert Untucht, co-pilot and ace Luft-Hansa pilot on the South America run, radio-operator Kurt Haensgen, mechanic Karl Kirchoff, Heinz M. Wronsky, pioneer Luft-Hansa manager who made the flight from Berlin, and R. von Manteuffel, technical manager of Eurasia, who joined the plane in Canton.

Something over a thousand spectators assembled at Hungjao to greet this giant of the air. Mayor Wu Te-chen of the Municipality of Greater Shanghai made a short formal speech of welcome. Among those present when the plane arrived were Herr Walter, operations manager for Eurasia; Herr R. Sterz, China representative of Junkers Flugzeugwerk; Li Tsing-tsung, Chinese manager of Eurasia; Mr. Dai, manager of the China National Aviation Corporation; Wang Hsien-hua, director of the Corporation; Group Capt. Willock, British Air Attache; Lieut.-Com. E. H. Hopkinson, British Naval Staff Officer; the Rev. Father E. Gherzi, of Siccawei Observatory; A. M. Chapelain, Postal Commissioner; Capt. E. A. R. Fowles, of the Asiatic Petroleum Co.; and H. M. Bixby, director of the C.N.A.C. The plane has been purchased from Luft-Hansa by the Eurasia Aviation Corporation and will be put on the Peiping-Canton run. The motors were built in Germany using leased American (Curtiss-Wright) plans. The motors develop 1,980 horse power. The plane has a capacity of 18 passengers in addition to 3,300 pounds of mail or freight. It has a cruising speed of 160 miles an hour.

The Junkers 18-passenger plane which last week made the trip from Germany in record time made a number of flights over Shanghai in a demonstration during the night of Sunday, Sept. 8. It proceeded to Peiping Sept. 11.

Japanese Scouting Plane Destroyed Near Atami

Scouting plane No. 554 of the Tokorozawa Military Flying Corps, which was reported missing while flying to the Akeno Airdrome Sept. 4 was found wrecked in a forest near the Yamabushi pass, five kilometers from Atami, Shizuoka Prefecture.

Proposed Air Mail Service Between Alaska and Siberia

Assistant Post-Master-General Harlee Branch, and high aviation company officials, Robert Thach and Lymans Peck, hopped off for Nome from Fairbanks, Alaska, Sept. 2 and continued on to East Cape, Siberia, and thence to Anadir, to discuss with Soviet air-line officials the possibility of establishing an air-mail transportation service between Alaska and Siberia.

Child Welfare Association Gives Details of Activities in Shanghai

The child protection department of the National Child Welfare Association of China, according to its semi-annual report, was highly active in Shanghai during the period ended June 30, 1934. The department handled 62 cases; 3 cases of cruelty to daughters-in-law; 8, cruelty to apprentices; 5 cruelty to slave girls; 10, cruelty to adopted children; 3, assault on apprentices; 3, assault on child laborers; 1, assault on slave girl; 1, sale of child by his father; 1, cruelty to child by his mother; 1, cruelty to son by stepfather; 2, abandonment of children by parents; 3, stranded children; 10, abandoned orphans; 7 cases of kidnapping and four of forcing girls to solicit for the purpose of prostitution.

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Finance Ministry Rules That Only Real Gold Bars May Be Sold

The Nanking Ministry of Finance has issued an order orbidding further transactions in any but actual gold bars after September 15, the date of change-over to November from October business. The order came at a time when Shanghai bankers, and speculators were reported to be oversold approximately U.S. $20,000,000, whereas the oversold position approximately 10 days previously was not in excess of U.S. $6,000,000. While foreign banks are not subject, in theory, to the order, use was made of the gold bar market by them as well as Chinese banks in order to provide cover for exchange operations, both speculative and otherwise. It was regarded as certain that export of silver will be materially increased in the immediate future through operation of the order, since even if the oversold position is covered through foreign banks gold must be bought abroad with silver in order to cover the existing position.

The Nanking Ministry of Finance Sept. 9 issued the following order to the Supervisor of the Shanghai Gold Bar Stock Exchange :— "The former practice of using foreign exchange instead of gold in "set-offs" on the Gold Bar Stock Exchange not only is at variance with the principle on which the exchange is instituted, but has permitted the Exchange to be utilized for manipulations by unscrupulous speculators. For the purpose of stabilizing the market, you are hereby instructed immediately to order the Gold Bar Stock Exchange that, effective from the date of receipt of this order, the set-off of all its transactions must be made in gold and not in foreign currency. Transactions entered into before the aforementioned date may be settled according to the terms of the respective contracts. The settlement in gold shall be placed in charge of a Fineness Examination Committee to be organized by the Exchange."

Comenting on the order during during an interview, T. M. Hsi, general manager of the Central Bank, said that it will not affect that stability of the gold business. Most of the foreign banks in Shanghai, according to Mr. Hsi, are appreciative of the good motives out of which the order was issued and have shown their willingness to co-operate with the Ministry of Finance. Detailed measures for co-operation in handling the foreign exchanges in the future, however, will be discussed, Mr. Hsi stated, following the return to Shanghai of Dr. H. H. Kung, minister of finance.

Under conditions which will prevail after October 15 the Central Bank, organ of the Ministry of Finance, will control the price of gold bars, since the customs unit price, set by the bank, will be the basis for valuation of the gold bar, which thus will attain the status of actual gold. The customs gold unit rate is based upon the market price of gold in London. Deprived of a convenient cover for U.S. dollar transactions, it was believed quite likely that one effect of the order will be eventually to increase the spread between buying and selling rates in U.S. Dollars considerably. That this would be likely to adversely affect the merchant dealing in American imports is seen as a possibility.

After October 15 the Customs gold unit will replace the present standard based on the American dollar in gold bar transactions.

Ten Million Dollars in Silver Goes to Gen. Liu Hsiang in Szechuen

A total sum of $10,000,000 in silver bars is being shipped by the Government to the Szechuen Provincial Government according to the request of General Liu Hsiang, military and political leader of the province who resigned his posts, recently, but has now promised to resume the bandit-suppression campaign in the province. The silver will be used a reserve against the provincial banknotes.

America Will Increase Use of Silver as Money

Recent telegrams from Washington stated that early official action designed to increase the use of silver for monetary purposes in many countries is expected in the near future. It is believed an effort in this direction will be made by the United States Government soon after the return to the United States of Prof. J. H. Rogers, noted economist, who recently spent several months in China, Japan and India to study the silver situation.

A call to the east (of the United States) to rally to the cause of silver together with the mining states of the west was issued at Salmon City, Idaho, Sept. 6 by Senator William E. Borah, stressing the necessity for the termination of monopolies, expansion of the currency and remonetization of silver.

Silver Control Is Advocated by Peiping Paper

A "rational control of silver by the Government" is needed if Chinese business is to prosper, in the opinion of the Peiping *Chen Pao*, which comments :—"We suggest that the National Government appoint a special commission for the control of silver. This commission should study the price levels of silver, the outflow of silver, the existing stocks of silver in various parts of the country and also the various methods of meeting international trade payments. "An export duty on silver is one of the means of checking speculation in the white metal and would seem to be advisable under the existing circumstances, but the rate of the duty should be determined with due regard to the fluctuations in the price of silver. Where Chinese merchants find it necessary to export silver to meet their payments, the Government should exempt them from the payment of the export duty."

Tientsin Mint May Soon Re-Open

Tientsin Chinese circles report that the mint in that city may open within a short time, after having been closed for a number of years. It is understood that when Dr. H. H. Kung, Minister of Finance, was in Tientsin some weeks ago, the question of opening the mint was discussed with General Yu Hsueh-chung, Chairman of the Hopei Provincial Administration. At present, the mint is under indebtedness amounting to $2,500,000. $400,000 of this is owed to Japanese interests, but most of this has already been refunded to the Japanese by the Hopei provincial Administration. The balance, borrowed from Chinese banking circles, will be paid off when decision to reopen the mint is finally reached at Nanking, according to the Peiping *Chronicle*.

Japan Refuses to Discuss Shipping at Batavia Conference

The Japanese Foreign Office Sept. 7 gave instructions directing the Japanese delegation to the inter-governmental trade discussions at Batavia to reject the Dutch proposal for the inclusion of the shipping problem in the conference agenda. The Japanese government expressed its opposition to any voluntary abandonment by Japanese shipping companies of their coastal schedules in Java, which would involve an agreement to call at only certain ports in the Netherlands colonies.

Japanese Spinners Contemplate Building Mills in Korea

Now that Manchukuo and North China have improved as markets for Japanese cotton goods, the advisability of establishing mills in Korea is being discussed by Japanese spinners with greater enthusiasm. The advantage of building mills in Korea is, in the first place, to save a five per cent. revenue duty imposed on cotton cloth shipped from Japan. Korean labor is quite efficient, and wages are nearly half the rates paid in Japan. With no Factory Law enforced in Korea a 24-hour operation can be done. Nor is there any restriction as to production, as the influence of the Japan Cotton Spinners' Association does not extend to Korea, as far as its arrangement for production curtailment is concerned.

Ford Motor Company in England to Smelt Its Own Iron

The Ford Motor Company recently completed the erection of the latest blast furnace in Great Britain at Dagenham. This furnace, which has a capacity of 500 tons in 24 hours, is the first blast furnace to be put into operation on the banks of the Thames. It brings a new industry to the South of England for, hitherto, iron smelting has been confined to the North Country, the Midlands and South Wales. It completes the the chain of plants which gives the Ford organization complete control over every stage of the manufacture of the car from the iron ore to the complete vehicle. The furnace is located approximately midway between the jetty where the ships carrying the ore, coal and limestone are unloaded and the foundry where the castings are made. Adjacent to it are the coke ovens which supply the high grade coke fuel necessary for the blast furnace. This arrangement reduces the handling time to a minimum.

The slag and molten metal from the furnace are run off into different troughs from which they fall into separate ladles mounted on bogie railway trucks of special design. The slag is sold for road making while the molten metal is transported the short distance which separates the furnace from the hot metal shop. Each ladle has a capacity of 75 tons of metal.

An electric hoist lifts the ladle by hooking on the trunions at its side and a further hoist tips its contents into the 600 ton hot metal mixer. There it is mixed with a proportion of steel before being used in the hot metal shop in the making of castings for Ford cars.

Geneva Opium Committee Says "Alarming Situation" Exists in China

The report of the Opium Advisory Committee adopted at Geneva, Sept. 7 by the Council of the League of Nations draws attention to the "alarming situation" existing in China in regard to illicit traffic in drugs and expresses the wish that the Chinese Government take every step to combat the evil. It then recommends that governments with extraterritorial powers should deport all nationals from China convicted of partaking in the narcotic traffic and should withdraw protection from vessels engaged in inland water navigation which are found habitually employed in the narcotic trade.

Who's Who in China

謝瀛洲

Hsieh Ying-chon

Hsieh Ying-chou, Government official; born at Tsunghua, Kwangtung, 1893; was graduated from the University of Paris with the degree of Doctor of Laws; member of the Law Drafting Committee of the Generalissiomo's Headquarters at Canton; professor of law at the Canton Chungshan University and the National Central University; head of the Youth Department of the Canton Municipal Party Headquarters; member of the Reorganization Committee of the Kwangtung Provincial Party Headquarters; vice-Minister of Justice of the National Government; President of the College of Law of the Peiping National University; Commissioner of Education of the Kwangtung Provincial Government; President of the Kwangtung Provincial College of Law; now President of the Kwangtung Provincial High Court; address: Kwangtung Provincial High Court, Canton.

謝瀛洲，別號仙庭，廣東從化縣人，年四十一歲，法國巴黎大學法學博士。大本營法制委員會委員，廣東課吏館館長，中山大學中央大學教授，廣州市黨部青年部部長，廣東省黨部改組委員會委員，司法行政部次長，北平大學法學院院長，廣東省政府教育廳廳長，廣東法科學院院長，現任廣東高等法院院長。

Whangpoo Conservancy Board Issues Report on Shanghai Harbor

"The Port of Shanghai" (8th edition, 1934), compiled by Herbert Chatley, engineer-in-chief of the Whangpoo Conservancy Board, has just been issued, both in English and Chinese. The report comprises more than a hundred pages and is replete with tables and illustrations. Although it is, naturally, mainly concerned with conservancy work the report contains a considerable amount of information of interest to merchats and also to the general reader. Charts covering the shipping tonnage of various regions of the earth show that Shanghai tonnage has been rising steadily since 1927, so that at the end of 1933 there was only one port in the United States with a greater tonnage than Shanghai's and that was New York city. Los Angeles, which in former years was ahead of Shanghai, had lost tonnage sufficient to bring it below Shanghai's total. In Europe at the end of 1933 there was only one port with greater tonnage than that of Shanghai and that was London. Hamburg, Rotterdam and Antwerp would have been ahead of Shanghai except for the fact that during the year they had lost tonnage during the past several years, whereas Shanghai had gained. A series of tables gives a list of all frontages in the Shanghai harbor, together with names of owners and full details of the property. A whole chapter is devoted to "economic and commercial facts." The information is of a general character and will be familiar to readers of the *Review*; however, a few extracts may serve as reminders. Britain leads in the shipping trade of China with 42.38 per cent, the next two being China, 27.12 per cent, and Japan, 14.68 per cent. The American share is 3.8 per cent. The assessed value of the land in the International Settlement of Shanghai is just over a thousand million Chinese dollars; in the French Concession, $319,400,000.

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manifests itself from the first few days of treatment by a general feeling of well-being.

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70-115

Men and Events

L. K. Kentwell of the Canton *Daily Sun* is a visitor to Shanghai.

Radio telephone service between Japan, Java and the Philippines will be formally opened September 26.

More than 5,000,000 reams of paper, mostly newsprint, were imported during last week to Shanghai, principally from Japan.

Sun Fo, president of the Legislative Yuan, arrived back in Shanghai Sept. 12 after his trip to Honolulu. He later proceeded to Nanking.

Further arguments were heard in the U. S. Court for the China during the week in the application by creditors to have the Grand Theater sold.

John R. Morris, Far East manager for the *United Press*, and Mrs. Morris proceeded to Japan this week. They will later visit Tientsin and Peiping.

A room has been set aside by the U.S. Court for China (in Shanghai) for lawyers to use as a study where they many have access to the Court Law Library.

A decree for divorce by default was granted Edward Howard Ford against Sadie Caroline Ford by Judge Milton J. Helmick in the United States Court for China Sept. 10.

H. E. Arnhold has resumed the chairmanship of the Shanghai Municipal Council. Brig.-General E. B. Macnaghten, who had been acting chairman, is at Tsingtao on a holiday.

Dr. H. H. Kung, vice-president of the Executive Yuan and Minister of Finance, and Mrs. Kung, formerly Miss Soong A-ling, celebrated their twentieth wedding anniversary at their Nanking residence Sept. 10.

A resolution providing for dissolution of the Union Club will be considered at an extraordinary general meeting which will take place at the club premises, 27 Peking Road, on Friday, September 28, at 5.30 p. m.

The death occurred in Tientsin Sept. 9 of Martin A. Katz, a Siberian-born American citizen long resident in said city. The Russian newspapers in Shanghai stated that death was due to a suicide attempt, superinduced by business reverses.

Dr. Walter Williams, Sept. 10 tendered his resignation as President of the University of Missouri, effective December 31, owing to ill health. He will retain, however, his position as dean of the School of Journalism, which he founded.

The annual report of the Lester Chinese Hospital in Shanghai for 1933 shows that 130,537 outpatient cases were handled. Dr. J. Lee H. Patterson is the superindent and F. W. Poate is the chairman of the board of trustees of this institution.

A movement for outlawing tips at hotels and restaurants is under way in Nanking. Letters are said to be pouring into the local headquarters of the "New Life" movement urging that effective measures be taken to abolish this deep-rooted institution.

The new Chinese naval attache to the Chinese Legation in Tokyo, Captain Liu Tien-pu, departed from Shanghai Sept. 6 for Tokyo. Captain Liu is the first Chinese naval attache to be appointed by China to Tokyo since the outbreak of the Manchurian incident.

Panic reigned at Soochow Sept. 8 when an infuriated mob of over 1,000 rushed to the Ta Hua Paper Mill and set fire to the factory. The inhabitants were enraged with the action of the mill in pouring refuse into the river, from which the people obtain their water supply.

Fourteen pawnshops in Shanghai have been forced to close recently owing to the fact that due to the present depression they have been unable to realize on the goods they had taken as security in more prosperous days. This has been particularly the case with feminine wearing appurel.

Eleanor Cornelia Hykes, daughter of Mr. and Mrs. John M. Hykes of Shanghai, and Lieutenant James Lorenzo Thibault, U.S.N., son of the late Dr. and Mrs. Henry Thibault of Little Rock, Arkansas, were married by Dean A. C. S. Trivett in the Cathedral in Shanghai Sept. 10.

Miss Loo-ming How, daughter of Mrs. Zoen Fong How and a sister of Bang How, and Wilfred Sien-bing Wong, son of Mrs. T. T. Wong, were married in the Holy Trinity Cathedral in Shanghai Sept. 10, the ceremony being performed jointly by Dr. F. L. Hawks Pott and Dean A. C. S. Trivett.

The Indian Navy Discipline Bill, passed through both houses of the Indian Parliament, gives the full status of a navy to the Royal Indian Marine and provides that the discipline of the force shall be regulated, as in Dominion navies, by the British Naval Discipline Act, suitably amended to meet local conditions.

Miss W. S. Chang and Miss S. K. Chien, the two well-known women chartered accountants of Shanghai, have just published a book being the translation of the Accounting Principles by Montgomery and Staub. Both Misses Chang and Chien are graduates of California University and are noted for their Anglo-Chinese scholarship.

Maxwell S. Stewart, formerly with the Research Bureau of the Foreign Policy Association, has joined *The Nation* (New York) as associate editor. Mr. Stewart spent a number of years in the Far East. He formerly taught in the Shanghai American School and in the Yenching University in Peiping. Since 1930 he has made several trips to Russia.

The *North China Star* says it has been requested to make an earnest appeal to persons in and around Tientsin to refrain from shooting carrier pigeons who are being trained in the French Concession for useful public purposes. Two of these birds returning from Tongku to their home in the French Concession were seriously wounded and it believed they will die.

Walter Lippmann, wellknown American journalist, will not visit Japan this autumn, according to a cable received in Tokyo Aug. 31 from the *New York Herald Tribune*, with which Mr. Lippmann is associated. A report that Mr. Lippmann was planning to visit Japan was widely printed in the Japanese press two weeks ago. It is not known what caused the change in the plans.

The Bureau of Finance of the Greater Shanghai Municipal Government announced Sept. 10 that on and after October 1, the quarterly charges on vehicle licences and municipal rates on residential houses will be considerably increased. Municipal rates for residences will be twelve per cent on the assessed rentals; charges for licenses for private motor cars range from $13 to $67 per quarter.

Dr. C. Walter Young of Peiping arrived in Shanghai during the week, bringing with him Marco Brillianto of Khanbaluk, a beautiful red Chow Chow dog of his own breeding. Dr. Young, who represents the Institute of Current World Affairs, New York, as senior associate in Eastern Asia, will depart from Shanghai for Hongkong and Manila on the s.s. *President Pierce*, sailing Sept. 15.

Final hearing of the case of C. S. Sih versus Herbert and Peter Honigsberg (father and son) took place in the United States Court for China last week. After hearing a number of witnesses, including the claimant and the defendant, Judge Milton Helmick reserved his decision. The case arose over the non-payment of an alleged promissory note given by the defendants to C. S. Sih in exchange for jewelry valued at between $20,000 and $30,000, upon which money had been loaned.

The Hangchow Bore, the huge tidal wave which ascends the Chientang river twice daily—a feature, more or less of all rivers with a funnel-shaped month, this one in China being the largest in the world—is being visited during this month in large numbers. The bore always attains a greater height during the spring and autumn season, when the position of the moon and the prevailing winds tend to pile up the water to a greater height than at other seasons of the year. The bore reaches its highest point at Haining, which is the usual place visited by sightseers.

Hollis H. Arnold, consulting engineer, and a judgment debtor, was examined at length in the U. S. Court for China Sept. 10. Mr. Arnold was the first manager of Andersen, Meyer & Co.'s engineering department and questions were asked him concerning a judgment for $22,000 against him granted to said firm some time ago. Mr. Arnold said he had been swindled out of everything he had made in the last 20 years by unfair methods. The examination will be continued Oct. 9, the Court in the meantime proceeding to Tientsin, where many cases await adjudication.

Dr. Fong Sec Tells Local Rotarians About Detroit Convention

Dr. Fong Sec in an address before the Shanghai Rotary Club last week said that the Rotary International is expanding in spite of the depression, and is taking a forward and constructive place in promoting international goodwill. Its members, he said, are now primarily concerned as to what contributions they can make to help the world out of the depression and its members are taking a keener interest in the world. Dr. Fong, a veteran member of the Shanghai Rotary Club and a Rotary emissary in the Orient, was the only Chinese member to attend the 5-day 25th Convention held in June at Detroit, Michigan.

Belgian Mission Departs for Europe—Feted in Shanghai

Baron J. Guillaume and the Baroness gave a garden party Sept. 10 in honor of Baron Janssen, Ambassador Extraordinary, and Baroness Janssen, and members of the Belgian Mission, who had returned to Shanghai after a tour of North China. The party was also entertained by five leading Chinese public organizations, the Chamber of Commerce, the Bankers' Association, the Federation of Chinese Industries, China Institute of International Relations, and the Foreign Trade Association of China, at the Bankers' Club at a luncheon party, at which Mayor Wu was in attendance. The Mission has in the meantime sailed on its return to Europe.

British Labor Party Proves Itself a Friend of China

The British Labor Party's preparation for the 1935 General Election includes a vigorous discussion of the situation in the Far East. Its platform for the annual confeence in October contains the following:—"The problem of Asia is regarded by the British Labor Party as pivotal to the peace of the world. The Labor Government would take its stand squarely on the Nine-Power Treaty and the Paris Pact, as interpreted in the unanimous report of the League Assembly. It would keep in closest touch with the United States and the Soviet Union with regard to a concerted attitude against aggression and the violation of treaties in the Far East. It would make clear that any fresh resort to war would be met by world-wide action on the basis of the treaties forbidding war. It would use all its influence to impede any effort which sought to make China the victim of imperialist exploitation or endeavored to extort acquiescence in the violation of China's territorial integrity and political independence."

September 18—Third Anniversary of Mukden Onslaught

The third anniversary of the beginning of Japanese military operations in Manchuria on September 18, 1931, will be observed throughout China in accordance with a set of measures passed at the regular meeting of the Central Executive Committee of the Kuomintang in Nanking Sept. 6.

All Kuomintang branches will be instructed to stage memorial services on that day while special precautions will be taken to prevent unruly demonstrations by more radical elements. It is understood that national and party flags will be ordered at half mast.

"Far Eastern Tourist Bureau" Is a Failure

Owing to heavy business losses, the "Far Eastern Tourist Bureau," which was recently organized by the Chinese and Japanese authorities for the purpose of handling traffic matters on the Peiping-Liaoning Railway, following resumption of the through train service on the Line is to be abolished. According to report, since its establishment more than two months ago, the Bureau has not only failed to make any profit, but has suffered a monthly loss of more than $2,000. The Bureau will be substituted by a new organization, which will still be a Sino-Japanese enterprise, but will be privately capitalized and managed. Chang Shui-chi, the present manager of the Bureau, is said to be negotiating with a group of Japanese to this end.

Japanese Fleet to Visit Tsingtao End of This Month

Under the command of Admiral Nobumasa Suetsugu, the Japanese combined fleet, which is holding its annual maneuvers in the Japan Sea this month, will visit Dairen on September 18, and later proceed to Port Arthur. While the fleet is anchored in Dairen, more than 80 airplanes carried by various ships will make several flights to Changchow, Antung and other principal cities in "Manchukuo." Approximately 800 officers are scheduled to visit various cities in "Manchukuo," including Mukden, Changchun and Harbin. The fleet is expected to leave Port Arthur on September 27, and proceed to Tsingtao.

Dr. C. Kuangson Young Appointed Foreign Affairs Inspector

Dr. C. Kuangson Young, formerly Chinese consul-general at London, has been appointed foreign affairs inspector for the provinces of Anhwei, Kiangsi, Hunan, Hupeh and Szechuen. Dr. Young, after his return from London, has been engaged in journalistic work, being a founder and director of the local *Chekiai News Agency*. Dr. Young is a graduate with the Ph.D. degree from Princeton University in the United States.

Another Chinese Ship Launched at British Shipyard

Miss Hsu, niece of Tan Pao-shen, the Chinese Consul at London, on Sept. 12 at Newcastle launched the s.s. *Haili*, the third of the four ships built in Great Britain for the Chinese Government. The *Haili* is similar to the *Haiyuan*, which was launched by Madame Quo Tai-chi, July 28. The *Haiyuan* sailed for China Sept. 13 commanded by a Briton, Captain Simm, with a mixed Chinese and foreign crew.

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In the United States Court for China

ALMA ROBINSON
Plaintiff,
vs.
LESLIE E. ROBINSON
Defendant.

Cause No. 3735
Civil No. 1716
ORDER
Filed at Shanghai, China, September 7, 1934.
William T. Collins, Clerk.
by L. T. Kenake, Asst. Clerk.

The object of this suit is an action for Divorce

WHEREAS, plaintiff herein, by her attorneys, has this 7th day of September, 1934, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 7th day of September, 1934, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 7th day of September, 1934, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since six months, and that defendant's last known address was 7 Pacific Gardens, Shanghai, China.

NOW, THEREFORE, it is this 7th day of September, 1934, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 29th day of September, 1934, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 7th day of September, 1934.

MILTON J. HELMICK,
Judge.

New Books of Interest in the Far East

"A Mad World, My Masters!"

This Bewildered World And Its Search for a New Rhythm, by Frazier Hunt; published by Frederick A. Stokes Company, New York City, U. S. A. 365 pages with 8 photographic illustrations and 4 maps.

Mr. Hunt is one of America's best known peripatetic journalists and this volume indicates that he perhaps covers too much territory entirely too rapidly to know any of it well. The book, however, is extremely readable and also well worth reading, but it is very uneven in quality and marred by many errors and wholly untenable judgements.

The section on Asia—"The Bewildered Billion"—is, unfortunately for the Far Eastern reader, the worst in the book, although in part it is quite sound. There are an amazing number of factual slips about China. On page 35 the Japanese seizure of Mukden is given as having taken place on March 18, 1931, instead of on Sept. 18; on page 66 it is stated that a clause which "forbade the building of parallel competing (railway) lines" in Manchuria was inserted in the 1915 Sino-Japanese treaties, whereas in fact no such clause is contained in any treaty, but was merely mentioned in the minutes of a conference in 1905; on page 68 Marshal Chang Tso-lin's assassination is dated 1927 instead of 1928; on page 86 the British bombardment of Canton is dated 1839 instead of 1840; and on page 98 the name of the former finance minister of Nanking is given as "C. V" instead of T. V. Soong.

But these are minor matters compared to the dizzy heights of ridiculousness which Mr. Hunt scales on page 90 to tell a bewildered world, and an even more bewildered reviewer, that the redoubtable George Sokolsky is "one of the inspired adventurers of this age" and "a minor king-maker" who "fitted together Time and Place and Opportunity and wrote for himself a page or two of as thrilling history as it is rarely the lot of man to pen." In fact, one gathers from Mr. Hunt's perfervid phrases that Mr. Sokolsky was both the brains and the backbone of the nascent Nationalist movement in 1919 and 1920. It is true that Mr. Sokolsky did play a minor part in the student enterprises of that time, but at least a half dozen other Americans, to say nothing of other foreigners, were as conspicuous or more conspicuous in Chinese revolutionary activities than he ever was—and when the actual revolution took place in 1925-26-27, some of them made considerable personal sacrifices for it while he sold his energies for the silver coin of the land to the British *North China Daily News* and the pro-Japanese *Far Eastern Review*. Doubtless Mr. Sokolsky was "inspired" during his China career, but his inspiration was no different from that which animates every *taipan* on The Bund. His services to the students in 1919 and 1920 merely paved the way for his employment by the British and the pro-Japanese a few years later. All this is not set down in condemnation, but merely as a simple statement of fact. The reviewer not only assumes that Mr. Sokolsky's own conscience is clear, but pauses to pay tribute to him for the many humanitarian impulses that he frequently revealed in aiding persons who were working against his paymasters.

Having now dealt with Mr. Hunt at his worst, it is a pleasant relief to note that he stands on such firm ground as to unreservedly condemn America's gratuitous insult to Japan by complete exclusion of Japanese immigrants. To keep out 108 Japanese a year, and presumably the same number of Chinese, America ever since 1924 has followed an immigration policy that, as Mr. Hunt says, is more even than trade rivalry "the nub of the resentment Japan nurses against the United States." China, of course, takes exclusion more calmly, for Japan's purely feudal *mores* set greater store by "face" in the form of human dignity than does China's *mores* which have evolved from the combination of primitive capitalism and feudal methods of production.

Mr. Hunt's discussion of the Philippines is interesting although very soundly inconclusive. Corregidor, the island fort at the entrance of Manila Bay, is practically impregnable, but is capable of containing supplies sufficient only for a six months' siege. Only 12% of the Islands is now under cultivation, but 40% is arable—which means that 75,000,000 persons (instead of the present 13,500,000) could be supported. "That may or may not be of interest to Japan, with her million increase each year." Already there is a Japanese settlement of 15,000 at Davao, in Mindanao.

In discussing India, Mr. Hunt calls Gandhi "a man of the ages." More intelligent is the summary from an English source: "Gandhi is the best policeman the British have in India."

Turning to Europe, which is today probably a blacker storm center than the Far East, Mr. Hunt gives a splendid summary of that only genuine realist among the World War statesman, Clemenceau. "Clemenceau knew," says Mr. Hunt, "that the only possibility of peace in Europe lay either in treating the defeated Germany as equal partner without indemnities and territorial demands, or in crushing her so completely that there could be no chance for her to raise her head for a half-century . . . . But the war pledges made to the revolting population within the Central Powers, particularly the Poles and the Czechs, made the first plan impossible. And the sentimental interference of the United States and England made the second idea equally impossible." In consequence, Germany today has Hitler and is re-arming.

The Soviet Union is dealt with very sympathetically by Mr. Hunt under the heading of "Unbewildered Russia." He points out, however, that communism has not yet achieved a standard of living that is anything to boast about. "The humblest (American) CWA worker, with his $15 a week of government money, lives better today than the most skilled Lenningrad mechanic. But he has always lived far better *as long as he has had a job*. And it will take a Third and a Fourth Five-Year Plan before the U.S.S.R. can hope to reach the old American standard of living that the top two-thirds once enjoyed." (The italics are the reviewer's.)

One of the best very best sections of Mr. Hunt's book in the part dealing with the almost incredible technical advances in American industry. "Industry today," he says, "is 30% more efficient than it was in 1929. American industry today could produce all the goods that she made in that same 1929 (the last year of prosperity) and still have no less than seven million unemployed." Here is a fact usually overlooked by the New Dealers and others who want to make capitalism humane. Mr. Hunt himself, in fact, ignores it in effect, for the title of the very chapter in which makes mention of it is "The Promised Land of the Future." Of course, such a title is capable of several interpretations; a promised land for one class of society may be hell for another.

Mr. Hunt, however, seems to think that the New Deal of Roosevelt II is worth ballyhooing. "It is a thrilling Present and unlimited in its hope," he says. May be so, depending on whether one hopes for better or for worse.

W. B.

The Eastern Stranger Within America's Gates

Orientals in American Life, by Albert W. Palmer; Friendship Press, New York, 1934. 212 pages, with statistical tables, book list and index.

Dr. Palmer grew up in California where he became accustomed to the Orinetal; as a church pastor he has lived in Hawaii and California, and is now in Illinois as president or the Chicago Theological Seminary. He is a good observer and has had many contacts and friendships with Orientals.

His book is written primarily for study classes and is a plea for more knowledge on his subject and more friendship on the part of Americans toward the Orientals within their gates. Many of these have been born in the United States, but, because of disaffection of Americans, perhaps themselves of "foreign blood," are sometimes treated with contumely even to the third and fourth generation. A number of occupations and professions are still closed to Americans of Oriental blood and this is certainly a disgrace when we think of American boasts of freedom and liberty.

On the whole Oriental citizens are shown to have been more amenable to law than many others in America. "Chinatown," once the accepted home of vice in San Francisco, is now a cherished part of the city, prized for its flavor of the East, and as clean, sanitary and law-abiding as any section of that city. The persistent racial feeling frequently directed against Oriental students is a sad commentary on our nationalism. It hurts Americans because it is unjust and narrowing, while it prevents the Oriental from knowing the intimate side of our institutions such as friend shares with friend.

The recent influx of Filipinos into America is discussed and its problems are noted. Dr. Palmer calls upon the churches to act together in instituting helpful policies to meet situations of pressing urgency among these immigrants.

Hawaiian experience with the Oriental is cited and Dr. Palmer suggests several ways of bringing about better understanding of problems.

As an outstanding example of a family roll of honor the story of an American Chinese, the Rev. Huie Kin, is briefly narrated. For forty-odd years he was pastor of the First Chinese Church (Presbyterian) which he founded in New York City. He married an American of Dutch ancestry and they had nine children, all of whom are college bred and have made fine citizens. One of his daughters lives in Shanghai with her interesting family. Mr. Huie died in Peiping where he was visiting in January, 1934. He left forty grandchildren.

The volume closes with a list of books consulted by the author when making this study of Orientals.

This book is not one that will have much appeal to Chinese readers, save as it shows the problems faced by their racial brothers in America. They will find, however, from reading it, that many Americans are alert on these questions and that such a book as Dr. Palmer has written is most helpful in breaking down racial prejudice and reserve.

G. B. S.

August 28, 1934.

Strikes in United States Assume Huge Proportions

Workers in hosiery, upholstery, drapery, carpet, rug, pile-fabric and plush factories throughout the United States have joined the strike in the textile industry. This huge nation-wide strike is bringing up the whole question of the N.R.A. program. It is freely predicted that the N.R.A. codes fixing the minimum price and regulating "loyal competition" will be abolished. Some newspapers say the new tendency marks the end of the "Johnson era."

An impressive funeral ceremony was held at Honeyheath, South Carolina, Sept. 9, when 10,000 strikers of textile industry attended the burial of six strikers killed by the police and strike-breakers. In an oration delivered on the occasion, the Chairman of the State branch of the American Federation of Labor declared "their sacrifice will not be in vain." At Ephrata, Penna, five strike-breakers were killed. The irony of this is that Ephrata was for many years the center of the Dunkard denomination, whose principal tenet is "non-resistance."

Secretary of War Wants Bigger U. S. Navy

"The United States needs a large and better-equipped army," George Dern, Secretary of War, stated on his arrival at Raritan Arsenal, New Jersey Sept. 6 to attend the four-day maneuvers.

Ward Liner "Morro Castle" Fire Causes Huge Death Roll

The s.s. *Morro Castle*, the flagship of the Ward Line, caught fire early in the morning of Sept. 8 off the New Jersey coast, while bound to New York from Cuba, and as a result 340 passengers and crew were either burned to death or drowned out of a total of 318 passengers and 240 crew. A stroke of lightning was at first alleged to have caused the fire, but investigations by the Federal Steamboat Service revealed that it may have been caused by an incendiary. Hints have been thrown out that certain interests in the United States are attributing the fire to Cuban communists with the object of forcing American intervention in the island. Drunken revels characterized the voyage of the ship. Six young girls were carried to their cabins in a drunken stupor several hours before the disaster; they were burned to death in their sleep.

California Prisons Greatly Overcrowded

California's prisons are reported to be bursting with immates. There are three men in many a cell designed for the use of only one. A new penitentiary has recently been completed, and yet the crowding continues. San Quentin is the largest penitentiary in the world, in point of population, and it is continuously overcrowded.

Treasury Refunds Liberty Loan Bands

The U. S. Treasury Sept. 10 announced the refunding of $1,200,000,000 worth of Fourth Liberty Bonds bearing 4.25 per cent interest and due for redemption on October 15, and $524,758,500 dollars worth of certificates of indebtedness due for redemption on September 15. The certificates will be convertible into two-year notes bearing 2.5 per cent interest. Holders of Fourth Liberty Bonds will be given the choice of taking the two-year notes at 2.5 or 10 to 12-year bonds bearing 3.25 per cent interest.

Maine Abolishes Prohibition After 50-Year Trial

Maine, the original Prohibition state (as the result of the work Neil Dow half a century ago) voted 3 to 2 to abolish same at the elections Sept. 11, at which the Democrats were generally successful.

Senator Nye Advocates Department of Peace

Senator Nye is advocating the establishment of a Department of Peace to rank on an equal plane with the War and Navy Departments.

New "Sheng An" Piracy Trial Starts at Port Arthur

A new trial was due to start end of this week at Port Arthur in the case in which five Europeans were involved in the *Sheng An* piracy—against the sentences passed upon them by the Dairen District Court.

The five Europeans, four of whom are Germans and the other an Austrian Swiss, were changed with the forceful seizure of the Chinese cargo boat *Sheng An*, and the murder of ten persons aboard the steamer, on June 26 last year. The Dairen District Court imposed the following sentences April 26:

Captain Hugo Taudien, alleged leader of the gang, and Heinrich Westermann, were sentenced to death, while Arthur Gautchi, the Swiss, and Walter Muller, were given a sentence of life imprisonment. The fifth accused, George Schroeder, was sentenced to ten years' imprisonment. Accusations and counter-accusations flew thick and fast during the trial, which was one of the most protracted in the history of the port.

Complete History of the Kuramoto Incident

Most bizarre happening in Far Eastern diplomatic annals. Eimei Kuramoto, Japanese vice-consul, stationed at Nanking, disappeared. Japan, without investigating accused China of responsibility. Warships were ordered to Nanking, tanks and armored cars rumbled through the streets of Shanghai.

But in the midst of the warlike preparations and ultimatums, Kuramoto came back to life. He had become despondent at his failure to receive promotion and had gone out on Purple Mountain to commit suicide. Losing his courage, he emerged from his hiding place and turned an international incident and possible tragedy into a comedy.

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Edited by Tang Leang-li

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70-119

Can China Be Strictly Forbidden to Maintain Concubines?

BY B. Y. LEE (李炳郁)

IT is a well-known fact that a Chinese may have as many wives as he desires, but legally, he is to marry only one wife—and have as many concubines as he can buy with money. In the eyes of westeners, concubinage, which has been widely practised in China, is horrible and unbearable. The one life—one wife principle is practically a joke to the average man in China. The concubine is most loved by her husband, more especially the youngest concubine in the harem of the rich, and officials. Marriage is a great social institution, but concubinage is a soul-destroying and heart-wearying business. When we scrutinize the family record where a concubine exists, we find in almost all cases neither the wife nor the husband nor the concubine is happy, from the standpoint of congeniality and devoted love. Many a family ends with disaster when a concubine is taken in. The children suffer most after the sudden death of a father who has taken a concubine when no proper will is provided. Any one who tells you that he had true love from both his wife and concubine at the same time is a liar—or a dud. "No man can serve two masters, either he loves one or hates the other" is universally true. Man's wild passion is uncontrollable if there is no strict law to limit its activities; the more civilized the man becomes, the less capable he seems of lifelong happiness with one wife.

Canton to Wage War Against Concubinage

Canton, a new intellectual center in south China, has awakened to the realization of the fact that concubinage brings moral ruin and financial disaster to a family, and war against concubinage is to be waged shortly by the provisional authorities. Social workers, anti-concubine societies in said city describe the system of concubinage as contrary to the principles of humanity and sex equality and are urging its immediate abolition. The draft regulations provide that: All married men are strictly forbidden to maintain concubines. A fine above the sum of $1,000, but not exceeding $5,000, is to be imposed on offenders. Civil servants and officials found guilty of maintaining concubines are to be dismissed from their posts. Punishment is to be meted out to parents of girls under 16 years of age who becomes concubines. All concubines are to be taken back by their parents or friends on a pledge that they will not become concubines again. In cases where relatives are unwilling to resume charge, concubines will be sent to the Door of Hope and attempts will be made by the authorities to find them husbands. These regulations are not applicable to concubines taken and kept before the promulgation of the new law.

The present anti-concubinage move in Canton is not a new one in China. During the past two decades since the introduction of modern education in China, the fair sex claims equal rights with men. Many demonstrations against concubinage have been made many anti-concubinage societies have been formed, and many modern girls before their wedding obtain written pledges from their about-to-be husbands not to take in concubines. Even the Chinese law to-day does not recognize the existence of the one-husband and two-wives principle. But in actual practice the statute of law can be evaded by tricky words of lawyers. In former times concubines were given to emperors and high government officials by subordinate political office-seekers as a means of procuring a position or a higer promotion. Some emperors had as many as a couple hundred concubines, and this is true among some rulers in the world to-day. In old times it was a well-established tradition in China that a family must have a son to carry on the domestic affairs, and should a wife not be able to bear one, the husband might take a concubine with a hope to bear him a male offspring. The practice of taking in concubines to-day among the government officials and well-to-dos is nothing but an unmoral indulgence, as they can not manufacture good excuses for their doings.

Regulations and laws may not be effective weapons against concubinage. Moral education and perspective view of social justice and conception of the mass should have more weight. In western countries, especially in the United States where the law against concubinage is so severe, many well-to-dos, particularly the salesman type, have "affairs" with other women or live a double life clandestinely. This kind of immoral behavior is equivalent to taking a concubine. Although the term used is different, they have the same objective. Men in China who take in concubines are generally the ones who possess wealth and power, and the concubines taken in are women of a lower moral standing or from poor families, who naturally would not be concerned about their social prestige so long as they can live in luxury. Since the concubine herself does not complain, who would be foolish enough to bring the victim of concubinage to the court for justice? Everywhere in the world men of means are almighty and they can defy the law in one way or another. In such circumstances, the present anti-concubinage law means very little. Law-makers, executives, judges, etc., themselves may have many concubines and naturally they are slack in the enforcement of such a law.

Concubinage—a Common Custom

Concubinage is too common in this country and the law and regulations against it seem ridiculous to the ear, especially to that of the mass. Not only the well-to-dos and high government officials, but also small salaried shop-keepers, clerks, etc. thoughtlessly and unconsciously take in concubines as a matter of course whithout even scrutinizing their source of incomes. In Hongkong the concubinage disease is even more contagious. Shop-keepers, clerks, number one boys, etc. in that colony take in concubines, leaving their wives in the country. As soon as they find out their husbands' financial difficulties, the concubines may run away with other men. The rich and government officials, who have sufficient funds to maintain many concubines, usually separate their wives from their concubines in different houses in order they may not be able to meet each another, or only occasionally. In this way quarrels and verbal fighting can be avoided to a certain extent. But the amount of funds to maintain so many families by one husband is quite a problem. For instance, the cost of living in Shanghai and in other metropolitan cities in China is very nigh, and the monthly budget for an average middle class Chinese family is around $100. Should a man keep a concubine and a wife separately, his monthly budget is doubled. Practically all those who take in concubines are living in cities. Many wealthy persons have as many as a dozen concubines in Shanghai. One wonders how these men work efficiently and live honestly.

To get rid of concubinage is undoubtedly to get rid of many social evils in China. No country on God's earth can ever be strong and efficient unless its citizens are likewise. Generally speaking, a man who has concubines is morally, spiritually and financially bankrupted When he is sick or in difficulties his concubine shows no real devotion to him, and in many cases she may pack up her trunks, leaving him at once. A Chinese wife seldom shows such whim. "Live and die together" is an old Chinese proverb, but this does not apply to a concubine and her husband. A victim of concubinage is invariably a liar at home as he must try all possible means to please her, either by hook or by crook. Since a man can't be true to his family, how can we expect him to be true to his country? Since his monthly budget is large, how can we expect him to assist his friends or his country in times of need? He is engrossed with the animal passion and deceives himself.

Leads to Moral Degradation

Concubinage leads toward moral degradation and moral degeneration. The children of concubines can not possibly look into this world with a radiant smile; they know their social prestige; they are constantly afraid that their fathers might leave them and support the children of other concubines. They know their danger and their short-comings, but they are too timid to consult with their friends or speak on the subject openly. Society looks at them with a quser suspicion. We have no reliable statistics to show how healthy are the children borne by concubines, who are invariably sing-song girls living in cities. In the country districts, however, some concubines are of slave-type or from poor families. From to hereditary point of view, robust and healthy children can not possibly be borne by sing-song girl concubines. There is no real education at home, no pure love or tender care, and children thus brought up usually become good-for-nothing or spendthrifts. Concubinage is a social problem, and any law that can strictly forbid the system of concubinage will undoubtedly have a good effect on society. The only answer is that the law, lacking the support of public sentiment, is evaded readily. It it amazing and appalling that the Chinese public has yet to be aroused to this growing evil. Confucius says: "In order to have a good and clean government, we must have a good and clean society; in order to have a good and clean society, we must have a good and clean family; and in order to have a good and clean family, we must have a good and clean individual."

The process of the elimination of concubinage must be a very slow one; it must come from the conscience of the public, not from an external force. During this period of transition in China, education, taste, culture, etc. are quite widely different among the individuals. Many couples were betrothed by their parents when they were young, and when one of them receives a modern education, later, the trouble begins. Many western returned students were married by their parents before going abroad; but when they, after receiving a modern education, return home they begin to dislike their oldfashioned wives and then take in concubines. Foresighted parents would not dare to engage girls for their sons before sending them abroad. In the courts there are numerous cases filed by wives against husbands who have taken in concubines. Sometimes it is very hard to condemn a man off-hand for taking in a concubine without taking into consideration his views. Females are getting more modern education day after day and as soon as they all know concubinage produces bad effects on the society they will certainly do their best to restrain their own fair sex from dragging themselves into the harem of the rich.

Shanghai, Sept. 13, 1934.

Russians Become Gay as Menaces Wane

BY WALTER DURANTY

(New York Times Correspondent at Moscow)

To speak of a "New Deal" in the Soviet Union might be an exaggeration, but there is no doubt that there is a new spirit in the country or that it is on the threshold of a new era.

More than a year ago this correspondent wrote that 1933 was likely to mark the turning point by deciding, if not the success and full efficiency, at least the practical workability of the Soviet system in industry and agriculture. This proved correct, as shown by the record crop and the steady increase in industrial production.

The increase in the production of coal, oil, pig iron, steel, tractors, automobiles, lathes and other machines that formerly were imported was so well maintained this year that for the first time in Soviet history heavy industry's program for the first six months was exceeded.

It is probable that no nation has ever borne in peace time such a long and heavy burden as the Russians have during the past five years. Now they are beginning to get results and find the weight easier to carry.

The new spirit of the Russian people results in great part from the fact that they have begun to reap the benefits of their bitter toil. Also, for the first time in sixteen years, they no longer dread the menace of war, a menace that at times might have been more of a bogy than a reality, but it was nevertheless near and terrible to the Russian heart.

There is nothing easier for anyone familiar with a country to see and feel than any marked change in its spirit or "atmosphere," but nothing is harder to define or describe. Such a change has occurred here that is vitally important and likely to be permanent. That it is due to fundamental and structural causes can hardly be doubted.

Signs of the change, which separately might not mean much, are convincing collectively. They are the Ogpu reform, the Soviet girls becoming style-conscious, the recent physical culturists' parade, the veritable sport-frenzy throughout the country, the international football matches with Turkey for which there were 1,250,000 applicants at a stadium that holds only 80,000, the opening of new cafes and consumers' goods stores, the great extension of what is called community feeding, the fresh demand for gayety and entertainment in literature, the movies and the theatres, and last, but not least, the consciousness of patriotism and pride in "our country and our achievements."

Of course, all this process is much more advanced and more evident in Moscow than in the rest of the Soviet Union, but it is going on elsewhere too. Moscow strikes the note and sets the pace which the country follows.

These things mean that the Soviet people are beginning to grow up and become aware of their lusty youth and vigor. In Russia today men and women technically "come of age" at 18, and this is now the seventeenth year of the Soviet State.

The Soviet leaders know it. They know there is no opposition at home nor immediate danger abroad, so they, whose ears are closer to the ground than those of the rulers of any other country in the world, can afford to give both moral and material satisfaction to the popular sentiment. They can give moral support because their regime is set and strong, and they can help materially because at last the Soviet is beginning to produce objects of comfort and necessity of which the Russian masses more or less voluntarily have so long been deprived.

Yellow River Shifts Course to North

The Yellow River in southern Hopei continues to shift its course northward and another 40 feet of dike on the north bank of the river has been washed away by water, says a *Shun Pao* dispatch. Although 1500 workers are engaged in building new dikes to check the flood water, these new dikes are being washed away before they can be completed. So far 240 feet of dike at Fenglao has collapsed as a result of the shifting of the river course.

Fu Ju-lin, administrative vice-minister of interior, stated in a recent report that one of the important reasons for the failure of flood-prevention and water conseruancy work in China is a lack of a co-ordinated water conservancy system. Consequently, power is decentralized and flood-prevention projects worked out by Chinese and foreign experts could not be efficiently carried out.

Rice Not to Be Used for Brewing Wine

In view of the serious shortage of rice in many provinces caused by the drought and floods this year, General Chiang Kai-shek has issued a circular order to all the provinces, strictly prohibiting the lavish use of rice for brewing wine, making sugar and sauce—in order to preserve sufficient stock for staple food supply.

Chiang Kai-shek Stipulates 10-Hour Day for Chinese Workers

Measures for the prevention of Capital-Labour troubles are contained in an order by General Chiang Kai-shek, President of the Military Affairs Commission, to the Greater Shanghai Municipal Government, issued Sept. 12. The order states that the 10-hour day schedule should be observed by all factory workers; the eight-hour day, it is mentioned, is commonly adopted by countries grappling with the problem of over-production, but the 10-hour day must be enforced in this country, "as we are not concerned with over-production, but under-production."

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The National City Bank of New York, Rates of Exchange

Shanghai, Sept. 12, 1934

Demand selling rate on America:	U.S.$100=Sh. $ 2.83
Demand buying rate on America:	U.S.$100=Sh. $ 2.80
Demand selling rate on London:	£1 0.0=Sh. $14.22
Demand rate buying on London:	£1.0.0=Sh. $14.01

Real Estate Review by Realty Investment Co.

The Northern district for the second week in succession has the largest building permit. The new buildings will be built on Minghong Road, between Seward and Millar Roads. A boarding house and an apartment building will make up the group. Beyond the Northern limits of the Settlement in Chapei new buildings continue to rise, after so long a time of standing still. In the Civic Centre five pile drivers are working on the foundations for the new group started recently, as well as several other public improvements.

The Eastern district continues with the following :—

On Linching Road, South of Point Road, a godown, office and dust tower with alterations to present buildinsg.

On South East corner of Chusan and Tongshan Roads, 21 Chinese shops, 10 Chinese houses and 2 gate houses.

On Ningwu Road, South of Hochien Road, 3 foundry buildings, offices, boiler room, with boundry walls and gates.

Off Yangtszepoo Road, West of Jansen Road, 2 pump houses.

Off corner of Glen and Yangtszepoo Roads, a tar oil storage tank, another addition to the new Gas Company plant.

In the Western district, just one permit off Changping Road, Ext. North West of Seymour Road, 9 Chinese shops.

In the French Concession the largest permit is for a Laboratory building on Route Pere Robert and Route Jupin. Other permits are :—

An addition to a funeral home on Delastre and Zikawei.

Four Residences and 1 school building and 2 garages on Sieyes, West of Delastre.

A six story apartment house on Henry, West of Lorton.

A foreign residence and two semi-foreign houses on Maresca, between Route Say Zoong and Route Magy.

Osaka "Asahi" Says Powers Lack Desire for Peace

The *Osaka Asahi* comments :—"If the aim of the Disarmament Conference is to provide armament against war, no Power can be expected to concede, as concession means defeat in war. And this leaves no room for the success of the Conference. Even if an agreement may be reached in some form or other, it will do nothing towards establishing world peace. Nationalism tends to attach importance to preparations for war, and consequently it runs counter to the true aim of the Disarmament Conference. As is well known, Japan desires to rid herself of the shackles of the ratio formula, and there is no doubt that she has good reason for it. Yet both Britain and America seem inclined to the view that Japan is making unreasonable claims in this matter. As a matter of fact, nationalism, which pervades the world at present, is the gravest obstacle to the success of disarmament, and it is well for them to appreciate this fact. It is up to Japan to press this fact on the Powers in the Conference. From the point of view of achieving real disarmament, the question of the formula of restriction is a matter of secondary importance. The first and foremost thing is the will not to fight. The Powers are particularly lacking in this desire for peace.

Tokyo Paper Says British Interests in China Must Decline

Tokyo *Hochi* recently commented :—"Great Britain must take into consideration the fact that it apears to be the inevitable destiny of Britain to find her commercial rights and interests in China gradually declining due to the anti-alien movements there, and to feel growing pressure from Soviet influence upon her interests in India because of its gradual expansion in Sinkiang. This gradual loss of power was not unnoticed even at the time of the preceding Washington Conference, therefore, is not likely to stimulate Britain into an other alliance with Japan at this moment."

Postal Employees Raise Many Points at Conference

Questions affecting the postal situation were discussed at the City Kuomintang Sept. 10 at which Dr. Chu Chia-hua, minister of communications, Wu Kai-sien, Mayor Wu Te-chen, and six representatives of the postal union deliberated. Among other questions, the postal representatives brought up the following for deliberation : The amalgamation of the postal administration with the Postal Remittance and Savings Bank, the question of subsidy with postal funds for the China Aviation Corporation and the Eurasia Aviation Corporation, the transfer of the executive and supervisory members of the postal administration, which affect the position of minor staff. In addition, the postal representatives requested that an order be issued by the postal administration for the collecting of subscription fees from branch offices throughout China, and also the collection of 1 per cent annual postal bonus for the purpose of constructing a postal union headquarters. In addition, postal representatives pressed for the early reinstatement of Lee Lih-chiang, executive member of the Hankow Postal Union, who was dismissed from office sometime in September, 1933, as the Ministry of Communications has approved his reinstatement.

Latest New York Stock Exchange Quotations

Business Done :- 639,000 Shares

September 12, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCKS	Last Sale Mon Sept. 10	Last Sale Tue. Sept. 11
13¾	8	—	Adams Express	7	6¾
33	11⅛	1.20	Alaska Juneau	16¾	17¼
160¾	70¾	6.00	Allied Chemical & Dye	127¼	126
107¾	49¼	4.00	American Can	96⅛	95¼
19⅞	3⅞	—	American & Foreign Power	5⅜	5¾
27¾	3½	—	American Metal Company	15½	15⅜
58½	10¾	—	American Smelting	33¼	33⅞
134¾	86¼	9.00	American Tel. & Tel.	111¾	113
94⅞	50¾	6.00	American Tobacco "B"	74⅛	74¾
42¾	10⅞	—	American Waterworks	14⅜	15⅛
24⅞	5	—	Anaconda Copper	11¼	11⅜
18⅞	5⅞	—	Atlas Corporation	8¾	8¼
84¾	16⅞	1.00	Auburn	22	22⅜
37⅞	8¼	—	Baltimore & Ohio	14⅞	14⅞
49½	10⅞	—	Bethlehem Steel	27	27¾
37⅞	18	1.60	Borden Company	24½	24½
28⅞	6½	1.00	Borg Warner	19⅞	19½
20⅞	7¼	—	Canadian Pacific Railway	13⅛	13¼
105⅞	30½	—	Case, J. I.	38¼	40
40¾	15⅞	1.40	Chase National Bank	22⅝	22
52⅛	14⅞	2.50	Chesapeake Corporation	37½	36⅛
60⅝	7¾	1.00	Chrysler	30⅝	31⅛
28⅞	7¾	—	Columbia Gas & Electric	8½	8¼
6⅛	1¼	—	Commonwealth & Southern (ord.)	1½	1⅝
64½	25⅞	2.00	Consolidated Gas of N. Y.	25⅞	26
23¾	4⅞	0.25	Continental Oil	17	17
9⅞	2	—	Coty Inc.	5	5
5¼	1½	—	Curtiss Wright Company	2¾	2⅝
73⅞	35	—	Delaware & Hudson	37½	37½
45⅝	12	2.00	Dome Mines	43½	42¾
28½	10¼	—	Douglas Aircraft	15⅝	16
103⅞	32½	*2.60	Du Pont de Nemours	85⅝	85½
101⅛	46	4.00	Eastman Kodak	97½	95½
41⅝	9⅝	—	Electric Bond & Share	10	10¼
15⅝	3⅛	—	Electric Power & Light	4	3⅞
19	8¼	—	Fox Film "A"	10¾	10¾
50⅜	16⅞	2.00	Freeport Texas	29½	28
10¾	2⅞	—	General Aviation	3½	3½
30¼	10½	0.60	General Electric	17¾	18
39⅞	21	1.80	General Foods	29	29¾
42	10	*1.00	General Motors	27⅝	28⅛
48½	13¼	1.00	General Railway Signal	24¾	24⅝
27⅝	12	1.20	Gold Dust	17¼	17⅝
47½	9¼	—	Goodyear Tire & Rubber	19⅞	20½
81½	15	3.00	Hercules Pwdr. Co.	70½	68
430⅛	145	12.00	Homestake Mining	385	385½
56¼	35½	3.00	Howe Sound	48⅜	49¼
23⅞	3	—	Hudson Motors	7⅞	7¾
40	6⅛	—	International Cement	21	19
46⅞	13⅛	0.60	International Harvester	24⅝	24⅞
29⅜	6¾	0.60	International Nickel	24⅛	24⅜
21¾	5⅛	—	International Tel. & Tel.	8¾	9½
66⅜	1⅛	—	Johns Manville	42⅜	43⅜
26	7⅜	0.15	Kennecott	18	18¼
79⅜	37½	2.40	Lehman Corporation	68⅝	67½
99⅜	49¼	*4.00	Liggett & Myers "B"	96	97½
36½	8½	1.00	Loew's Inc.	25⅝	26¼
26¼	10¾	1.20	Lorillard	17½	17⅜
35⅝	8⅝	—	Montgomery Ward	22⅞	23⅛
54¾	41¼	1.00	Monsanto Chemical	50¾	49
43	16⅞	1.00	National City Banks	20⅝	20
33¼	16⅛	—	National Distiller	18¾	18½
58½	14	—	New York Central	20⅛	20⅞
36⅛	12¾	4%S	North American	12⅞	12⅞
96¾	31¼	3.00	Owens Illionois Glass	66¼	63
31⅞	14⅞	1.50	Pacific Gas & Electric	14⅞	15⅛
6⅞	1⅝	—	Packard Motors	3⅛	3⅛
42½	13¾	1.00	Pennsylvania Railroad	21¼	21⅞
6⅝	1⅛	—	Pennroad Corporation	1⅞	2
20¾	4¾	1.00	Phillips Petroleum	15⅜	15¼
12¼	3	—	Radio Corporation	5⅛	5⅛
54¼	26⅛	3.00	Reynolds Tobacco "B"	46	46
51⅝	12¼	—	Sears Roebuck	35¾	36
19⅞	6	0.60	Socony-Vacuum Corporation	13¾	13¼
28	12	1.50	Southern California Edison	12	12
22½	5½	—	Standard Gas & Electric	7½	7½
50¼	22¾	1.00	Standard Oil Co. of N. J.	43⅞	42⅝
66⅛	45¾	3.80	Sterling Products	56	56½
9	1½	—	Studebaker	3	3
30⅛	10¾	1.00	Texas Corporation	22	21½
9⅜	2⅜	0.12	Transamerica	5⅝	5⅝
51¼	19⅜	1.40	Union Carbide & Carbon	40¼	40
133⅞	61¼	6.00	Union Pacific	94½	94
46⅞	14	—	United Aircraft & Trans.	14	13⅞
14¼	3½	—	United Corporation	3⅝	3⅝
25	13⅜	1.20	United Gas Improvement	14⅝	14⅜
25	2⅞	—	U. S. Rubber	14⅜	15¼
67½	23⅜	—	U. S. Steel	32½	32⅞
51½	21½	*2.00	Universal Leaf Tobacco	45½	44⅞
31¾	7⅝	—	Vanadium	16	16
9½	1	—	Warner Bros. Pictures	4¼	4
58⅝	19⅜	0.65	Westinghouse Elect.	30½	31⅛
54⅝	25½	2.40	Woolworth	47	47⅜

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